



Daily Report—

Latin America

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Cuba

Robaina Meets With Foreign Ministers at Human Rights Conference

FL1506015493 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 15 Jun 93

[Text] Today, during the opening deliberations of the World Conference on Human Rights, Cuba was elected to occupy one of the vice presidencies of this event that brings together important government delegations from more than 100 countries, representing the group from Latin America and the Caribbean.

Just moments ago, Cuban Foreign Minister Roberto Robaina said he believes this election has a special meaning. He added: To me it has two important meanings. The first is that it demolishes [echar por tierra] our famed isolation.

It was the Latin American group that unanimously nominated Cuba to occupy one of the vice presidencies. The conference also unanimously accepted that proposal. Robaina added that the other special meaning is the just recognition of our people's achievements over the past 34 years.

The Cuban delegation has had a busy work schedule, not only with its participation in the conference's work meetings, but also in meetings with other foreign ministers. Robaina met with Fernando Solana, Mexican secretary of Foreign Relations; Fernando Ochoa Antich, Venezuelan Minister of Foreign Affairs; and with Peruvian Minister of Justice, Fernando Vega. Robaina met with the vice foreign minister of the PRC, as well as with ministers from Zimbabwe and Nigeria.

Human Rights Conference Position Outlined

FL1106194993 Havana Radio Rebelde Network in Spanish 1700 GMT 11 Jun 93

[Text] Based on the 29 answers that Foreign Minister Roberto Robaina gave to a panel of Cuban and foreign journalists last night, the Cuban position at the world conference on human rights that begins next week in Vienna could be summed up in the following essential points:

Cuba will maintain an offensive policy on human rights, denouncing the political manipulation that takes place in connection with the rights that a majority of mankind does not enjoy. Cuba can display, with rightful satisfaction, real compliance with the inalienable rights of human beings.

In keeping with a narrow and manipulated definition of human rights, certain rich countries of the north try to set themselves up as both judge and jury in the observance of human rights in the countries of the south.

A modern and real concept of what constitutes human rights should include essentials, from the right to life,

work, nondiscrimination, health, and education, to the right to develop and enjoy human potential without having these rights thwarted by economic and social oppression.

Cuba will not tolerate the manipulation of human rights to be used like a political Trojan Horse against our country. There is a double standard in the way certain rich countries handle the topic, a bias with an ulterior motive in connection with human rights, and in more than a few cases, total impunity for those who flagrantly violate these rights, even in those very same rich countries.

That is the position Cuba will take at the meeting on human rights to be held in Vienna.

Robaina Discusses Human Rights Other Issue

FL1406010293 Havana Radio and Television Networks in Spanish 0030 GMT 11 Jun 93

[News conference by Cuban Foreign Minister Roberto Robaina, moderated by journalist Reynaldo Rodriguez, with foreign and domestic correspondents at the Ministry of Foreign Relations in Havana—live]

[Claude Hackin, Italy IPS] Several people who opposed the government and were sentenced to prison were recently released early. Does this signal a change in government policy toward the activities of these individuals?

[Robaina] That is a very interesting question. First of all, I believe that those to whom you referred were in prison not simply for the apparent fact of being in opposition, but rather because of actions committed in violation of several articles of the law. In this case, as in other specific cases, when a major portion of the sentence is fulfilled and they have demonstrated good conduct, we have released them and others. Therefore, this does not reflect any special changes in policy. Likewise, they were not released because they have ceased opposing the government. They simply uphold their positions and minds in different manners. This is not a special policy, nor has our policy toward what is called opposition and toward those who oppose the government changed in any way. I believe that today, more than ever, we have many more reasons to uphold several of the issues which we have been discussing on this subject.

[Gloria Anarco, Mexico EXCELSIOR] I would like to restate the same question, from a different point of view. In the last few weeks we have observed more flexibility in the treatment of dissidents by Cuban authorities. Cuban authorities approved the departure of eight dissidents from Cuba; a court suspended the sanction against two people sentenced for that crime; and several dissidents were pardoned. My question is: Could this result in changes to the penal code setting sanctions and prison terms for those who make attempts against the existence of the socialist state in Cuba? And another question on the same issue: Could there be more political freedom for those who want to promote different schools of thought?

[Robaina] Our penal code has never been and never will be subject to modifications derived from the acts of any of these individuals or their sentences. I believe our penal code adapts to the present and will continue to adapt to new times.

In terms of political freedoms, we really enjoy many political freedoms. But at times like this when the country needs unity as never before, we simply cannot afford to promote those who attack not only the very existence of the socialistic movement but also the existence of the nation and our full independence. The nation remains threatened now more than ever. We have to be more united than ever, precisely against actions of that kind. I believe that, therefore, there are freedoms and possibilities for modifying the code so that our nation will continue to strengthen, and so that our beliefs and independence continue to exist and carry the weight they do, of course; in that sense, yes. Freedom to relinquish our independence? Obviously not.

[Rodriguez] We now link up with Troy Roberts by satellite.

[Troy Roberts, New York CBS; in English with simultaneous translation into Spanish] Thank you very much for joining us, Minister Robaina. You accuse western countries such as the United States of politicizing the human rights debate. Exactly what do you mean by that?

[Robaina] I believe this is a game rule which we plan very soon to debate very strongly in Vienna. I believe human rights issues are highly manipulated, highly politicized—not only by the United States—and selective and discriminatory criteria are implemented. In my opinion, those game rules are wrong. In the same measure, the powerful accuse the poor more and more each day. To give an example: 70 percent of the human rights violation accusations come from that sector, that part of the world, that power. However, 100 percent of the accusations are directed toward the Third World, the world of the poor. I believe we must think about the so-called game rules, which are unfairly set.

[Roberts] If it is unfair, why not allow international human rights agencies to investigate the human rights situation in Cuba, prisoners, etc.? Why the restrictions?

[Robaina] First of all, the restrictions are not as numerous as they apparently claim. There is a large group of reporters who maintain a constant dialogue with those small groups, the so-called representatives of human rights, to call them something. If by chance you are talking about the special rapporteur, different game rules apply. Our opinions on this differ. I believe there is no reason why we should have to accept impositions on an unfair basis. It is an interesting belief that we do not allow certain things, when actually the international press reports many of the opinions of the people who belong to these small groups. Therefore, restrictions are not as they claim. What happens is that certain things are manipulated.

[Roberts] I would like to move on. In the last few weeks Cuba has released at least three dissidents from prison. How would you respond to accusations that this is a public relations maneuver in light of the Vienna conference? Is there now freedom of expression in Cuba?

[Robaina] Regarding the first question: I do not believe this is the first time we have done that. It might seem suspicious that the three events occurred so close to the conference. If you look back, you would find other cases that are not tied to the conference. I believe we have demonstrated—at times as complex as these conferences—that release does not depend on pressures or decisions of this type. But the most important declarations, the reasons that we free prisoners, have not been issued by us but by the individuals released.

Regarding freedom of expression, I invite you all—I know that perhaps it is not possible for all—to become familiar with our people's freedom of expression by spending time with them. I believe that in Cuba we have the broadest latitude to say what we think. I think this is demonstrated at any popular event, from a line at the market to a line at a bus stop.

Obviously, there are those who say that we jail activists as a preventive measure. I think you can speak with a number of activists who are free. I believe there are many factors to explain about our freedom of expression. To tell the truth, we do not have more freedom of the press because we lack newsprint—not because it is our wish—and because of the pressures we are subjected to.

[Roberts] I would like to move on. Cuba's AIDS policy has been one of internment. In terms of the opinions of the doctors, is the government presently reevaluating its policies on AIDS?

[Robaina] We have always been reevaluating policies—I would not say just against AIDS, but far beyond that. In my opinion this is a concern that goes beyond the internment of those who have the disease; this is a humanist phenomenon, to give it a very relative name. I am aware that there might be a fair concern, and there is, we have it, regarding those who carry the AIDS virus. But as fair as that is the concern with keeping an even larger population free from contagion when those sick people....

[Roberts, interrupting] Excuse me, Minister; is the policy being reconsidered, or what?

[Robaina] No, we have not been reconsidering. We are continuing to work on this policy. Today, we first talk of educating the victims about their disease, of avoiding its indiscriminate spread, and above all, of finding a way to reinsert them into society. Truthfully, I believe our concerns go beyond those with the virus to ensure that they are not isolated from society, to ensure that they have the necessary treatment and medicines, and also to protect society.

[Roberts] Members of the Cuban Government have made overtures toward the Clinton Administration regarding health. What type of aid does Cuba seek from the United States, or what type of overture is being sought in the public health sector? You have expressed interest in establishing relations with the United States and other democratic countries. Do you believe the Clinton Administration presents a greater opportunity than the previous administrations?

[Robaina] That is two questions in one. Of course, we comply because it is important to take advantage of this opportunity.

In this specific case, I believe that it is not that we are seeking a possibility. Our willingness to establish relations has always been stressed. We have always been willing. All we have asked is that there be no conditions. There is only one condition—not to go to the negotiation table as subordinates. I believe that in a sector as important as health, we greatly appreciate the readiness of U.S. specialists to investigate the illness we have been experiencing. I believe that this is simply one important part in such a complex moment. Regarding the new U.S. Administration....

[Roberts, interrupting] I have very little time. I want to ask a final question. Regarding the February elections, President Castro stated that he might retire in five years. Are you being tailored to replace Fidel? Are you interested in that post?

[Robaina] First of all, we all should respect the opinions of a man such as Fidel. This is a decision the president can not make alone. We have to keep in mind the will of the Cuban people. I believe that, knowing Fidel's readiness, this should be analyzed in five years and, above all, the people heeded. I am not being tailored to replace him in any manner. Nor is it among my aspirations. I believe that above all, when this happens, we have to work together. Many people will be responsible for doing this.

[Roberts] Thank you very much for joining us.

[Robaina] Thank you.

[Miguel Lozano, PRENSA LATINA] I would like to readress the subject of human rights. You talked about the politicization of this issue in the world recently, for example, the condemnation of Cuba at the United Nations regarding the alleged violations of human rights in Cuba. Do you not believe that this condemnation affects Cuba image's at the conference in Vienna? And: What will be Cuba's strategy or how will it defend itself to prove that there are no human rights violations in Cuba?

[Robaina] I think this is an important issue for us. I also believe this has to do with the manner in which we begin to ask certain questions. I also believe that beyond defending ourselves, we have arguments to advance. I believe that, undoubtedly, a campaign that has been

undertaken that is gaining ground not only internationally, but also in Cuba. We are very interested in discussing this subject because I also think that the concept of human rights has been so manipulated, and so much has been said about this campaign, that as soon as the issue comes up we think we are being attacked. I think we have to go not only with questions and answers; I also think there are many [words indistinct]. I believe that to the extent that discriminatory and selective criteria are applied to us, we could also talk about many very flagrant violations throughout the world. When you compare what might take place and the limitations and difficulties we have, obviously it has nothing to do with what that campaign claims. What happens, if I remember what Victor Hugo would say, under a magnifying glass—which is how they want to look at us—everybody is suspicious. I believe we have to discuss this. Therefore, I believe we have to go onto that stage with a sweeping offensive and many arguments. I believe we have many arguments in a very powerful project.

[Hackin] The great majority of UN member countries has signed the Human Rights Universal Declaration; however, many governments are responsible for violating these rights. Do you believe it is necessary to reform or change the existing international mechanisms for the preservation of human rights?

[Robaina] I believe there are many things that need reviewing and updating in view of the times. Undoubtedly, an important portion of those who signed it have violated it. I believe this is typical of the times. One thing is what is approved, signed, and agreed; another is what is done in the field. In my opinion this has to do with a double standard in which we make arguments with one hand, sign documents with the other, and there are many violations in the practice. I, of course, believe this should be denounced and discussed.

On the one hand, I believe that, undoubtedly, many things need review. At the time the universal declaration was discussed and approved, you could argue that three-quarters of those who will be at the debate taking place in a few hours were not involved in approving those terms over 40 years ago. I believe that after so many things have happened we have to do a reality check. This has to do with the human rights of millions of men and women who today do not know their rights. They do not even know we are meeting to discuss and evaluate their rights. I believe that in this situation many things need reviewing.

[Arsenio Rodriguez, GRANMA] Topics such as xenophobia, racism, women, children, immigrants, so current in Europe and the world—to mention only a few—have been repeatedly presented by Cuba, despite the opposition of the United States and its allies. Do you believe this will once again happen in Vienna? Will the United States and its allies concentrate on attacking Cuba and dismiss issues of such significance for most of mankind?

[Robaina] I believe we are ready for anything. Undoubtedly, we will not fail to condemn these issues in that highly developed world which pretends to be the champion of those rights. I, of course, believe we have to be ready not only to proclaim this but we are also convinced that there is a campaign of condemnation against us. It seems to me we cannot go to Vienna with a mindset of answering questions and responding to cases. I insist and have said several times that I refuse to sit on the bench of the accused. If it is a matter of names and lists, we could present at that conference a long list of things that need answering. Therefore, the issue is to carry the debate beyond cases; it is to discuss this rule and debate on this basis, which in my opinion continues to be unfair and under which the poor always end up losing.

[Arleen Rodriguez, JUVENTUD REBELDE] As part of the foreign policy of the people you have been conducting since you assumed this post, the foreign press toured deep into Cuba and, recently, the apostolic nuncio toured central Cuba. Do you believe this type of tour, of contact with the Cuban reality—I even witnessed trips to neighborhoods where the situation is difficult, where the areas were rundown and problematic—that this gaining familiarity with reality by foreigners who live in Cuba and by the diplomatic corps would help them understand that lifting the blockade is a human right of the Cuban people?

[Robaina] I am fully convinced of this. I even think that when we discuss foreign policy in the countryside—and I and several of us here have had the pleasure of this experience—it is precisely because of our people's potential and so that Cuba's condemnation of the blockade does not become associated only with the leaders and structures of the government. We spend long hours there. Some might think we developed a program for visitors, for planned tours. Several times we told them we have two hours to walk around this neighborhood, two hours to visit a home, and two hours to speak with someone. Our own people, youth, men, and women, talked with the visitors. They were the ones who stressed not only our virtues but also our defects, unfulfilled hopes, and difficulties. Therefore, I think this is a useful alternative and I believe it speaks of a real blockade, not a theoretical blockade; it shows how the blockade affects issues such as food in certain regions and medicines in hospitals, as well as the meeting of reporters with patients in the specific case of the Santiago de Cuba hospital we toured.

[Robaina] I believe that yes, in my opinion we are discovering and following a road where, I believe, the people have much to say and give. The people provide arguments for an important speech because they come from their own experiences and, even better, in their own voices.

[Victorio Copa, Germany DPA] How do you see the problem of human rights in relation to the dissident groups that reject the government's policies?

[Robaina] I am glad to readdress this issue because I can sincerely tell you that when the term dissident is used....[pauses] I believe the manner in which those small groups have identified precisely with that human rights facade has a lot to do with how the subject has become politicized. I believe this dissidence....[pauses] When we talk about dissidents, we are talking about deserters; but one cannot be a deserter unless one is first recruited. I prefer to unmask them. Obviously, under the facade of human rights, in those small groups there is a dissidence that more than anything else has to do with an opposition seeking to become organized and rise up against the system. In my opinion, they fail to the same degree that they seek their credentials by aligning with the primary enemies of our system.

We are aware that we need to perfect many things. At a time like this when the nation is at risk, when we need above all to salvage the interests of the nation and defend its accomplishments, which may not be perfect yet and there are many more things we need to accomplish, we cannot flirt with those who want to destroy that nation. In my opinion that is the essential problem.

[Anarco] In today's Cuba, there are still no beggars; but the underground economy mars living conditions. Women have no need to sell themselves to eat, but some do in order to access dollar stores. There are limitations and shortages, but the citizens are not free to start small subsistence business even though it is done illegally. The farmers markets were eliminated to avoid the rise of millionaires, but a generation of the so-called hoarders who control the black market exceeds the personal wealth average. What steps will the Revolution take to preserve the purity which warranted supporting it?

[Robaina] I do not know what steps it will take, but what steps are being taken. I believe we need to understand that in the measure that Cuba is experiencing an unprecedented economic situation and unprecedented pressures, it is evident that we would have to face a reality such as this.

Today, more than ever, this requires a constantly growing mass effort, much convincing, much discussion, and many elements. I believe at times such as this, obviously things occur with a high social and political cost; but I believe and trust, as many here do, that the possibilities to confront and solve our difficulties are much greater than we can even imagine. Our people have shown that no matter how difficult the situation, they have always been able to draw possibilities, energies, and capabilities from where there seems to be none. I believe cases such as hoarders and large personal wealth at the cost of the needs of the people today, more than ever, deserve rejection and prosecution.

We do not rest in this effort. I also think we need to discuss many things to solve the small problems and everyday needs of the population. We need to speed things up. We are conducting an important number of economic changes. No other country in the world is

undertaking such economic change under the pressures we have. In comparison, we are undertaking a transformation as great as that of the PRC 10 years ago, the difference being that the PRC was free of pressures and we are doing it under grave pressure. I believe an analysis that does not take our circumstances into consideration is flawed.

[Arsenio Rodriguez] How do you explain to our compatriots what they read in the press about Cuba's international prestige, including at the Human Rights Commission which has approved many Cuban projects, that although Cuba forms part of groups and commissions, it is interrogated because of the lies of the United States and its allies regarding alleged violations of human rights?

[Robaina] This is not the first time this has happened to us. I believe life has trained us in this. I also believe this is the result of many people telling us how they share Cuba's position; but, unfortunately, in a world of power and pressures, manipulations rule. I believe it does not frighten us to know how many support many of the things we do.

[Robaina] However, when they have to make a decision or when it is time to express their opinion, they tell us that they have to ask permission or regrettably have to act in such manner because they were advised to do so. In my opinion, this is also the great virtue that we have. We do not have to ask permission nor do we have to ask what opinion we should hold. But I understand the question you are asking, not only do I understand it but we have lived it. They tell us they share our position but when it is time to make a decision, they fail to do so, unfortunately.

[Lozano] Minister, what will Cuba's position be on proposals to create a UN Human Rights High Commissioner and an International Court, which will judge human rights violations, at Vienna?

[Robaina] In my opinion, we would reject any kind of structure that, from that position, attempts to become the mechanism to evaluate human rights within countries. Besides, I also think there are things we are ready to evaluate and discuss that should be done with great zeal, care, precision, and should be followed very closely so that structures and mechanisms are not created that leave in the hands of a few the possibility of judging many or several people, or worst of all, selectively or discriminate chose what to judge.

We are willing to talk and express our opinion, of course, but we are and always will be completely against giving more authority to existing structures—even though we do not refuse to discuss and evaluate the topic, of course, but we will always maintain this position.

[Arleen Rodriguez] The topic of human rights, in my opinion and I think the opinion of many others, was an ideological flag against the socialist bloc. The socialist bloc allowed them to take this flag away, and we were

part of that bloc. The topic was not debated in Cuba as it is being discussed today in the streets. This topic was not discussed on a popular or street level. Perhaps there were several articles in the press on human rights that were not evaluated in these meetings. What importance do you give to the activation of this discussion today, which is a topic of discussion even on the street?

[Robaina] I consider this very important because I also think I would have to point out something very interesting. I think that if we did not speak out before with more strength for human rights, it was because it is something to which we Cubans have resigned ourselves; especially our new generation of Cubans was born with these rights already won. Perhaps what for many in the world, in theory, are important rights to fight for, in Cuba were not only a theoretical priority but a practical reality a long time ago. Therefore, it was not a prioritized topic for us. I think this is a topic that has been imposed from abroad and I think our only option is to participate by explaining our arguments; otherwise, regrettably, we will appear as the accused.

That is what I think we must do. That is why it is very important that our people speak out and become knowledgeable and that the concept be demystified. Unfortunately, what has arisen is the external campaign, and many are surprised that they are talking about these rights, which for them are elemental. This is the reason I give so much importance to speaking openly about these things. Moreover, there are many rights which apparently we can say we all have and we all want to enjoy, and liberty, which perhaps we would all like to have, and we must explain why we do not have this liberty. Because, we....[pauses] Why do we not have some of these liberties, such as being able to travel. So many ask why Cubans do not have the liberty to travel. The thing is not that Cubans do not have the freedom to travel, but rather that they do not have the money to travel. The country does not have the necessary hard currency because when we have it in large amounts, it must be used in more important priorities, such as food and other things which today we obviously need badly.

On the other hand, I think today as never before the possibilities for travel exist for those who have the financial resources to do so. When it is a matter of travel abroad, it is resolved abroad. It is very important that this subject be discussed, precisely so that it may become a motive for our actions and not only a campaign imposed from abroad.

[Copa] Mr. Minister, why do various governments, including the United States, point to Cuba as a country where human rights are violated?

[Robaina] I can tell you one thing. I think in this particular case there are two topics, which without any discussion serve as the basis of justification for such an aggressive policy. For a policy such as the one implemented against us, it is important to incorporate several topics which were the motive of many....[pauses] were, to

say it one way, buzz words. In the same way that human rights became highly politicized and highly selective and discriminatory against countries in order to condemn them without any discussion. Undoubtedly, it had to be a topic on that permanent agenda which the United States has implemented lately, together with, for example, so-called democracy—the erroneously so-called and highly manipulated democracy.

I think that by not finding anything, not finding people vanishing, riots, not finding a million things, for example, now human rights is not the issue but civil rights, one section of human rights. This is why we are participating in these discussions; but I simply see them as the fundamental cause to justify such an aggressive policy against Cuba.

[Arsenio Rodriguez] Mr. Minister, we are very close to the Vienna conference and [words indistinct] hope to achieve a mechanism in Vienna, which would permit sanctioning suspected violators of human rights and naturally Third World representatives before questioning this plan. My question is the following: Given these contradictions, do you think the United States and its allies could reach at this event a substantial agreement, which would allow them to maintain this strategy?

[Robaina] I think it would be difficult to say exactly what is going to happen. Unfortunately, for one reason. I think those who have more power have agreed more and have acted with greater unity in relation to those of us with less power. I think that because of this we have to unite and rise up as a front because I think this is a concept that must be rejected. Eventually it will take us to a point where only the powerful will meet and judge those who are poor. I think this decision cannot remain in the hands of those who are already more and more rich and powerful. Therefore, that is where this discussion is going.

I do not think this will be achieved overnight at the conference. But what I think is needed is for the Third World, the Nonaligned Movement, and an important group of countries to rise up and denounce the grave risk humanity is taking if the few make decisions as destructive as these.

[Hackin] Mr. Minister, what specific proposals will Cuba present at the Vienna conference?

[Robaina] We will take to Vienna a very clear position, rather than a specific proposal. One is a full fledged offensive, and another is that we must review the rules of the game. They are poorly and unfairly established. They are not only wrong, but very unfair. For another thing, we believe we must go on a much broader offensive regarding true human rights.

I think that civil rights are important human rights, but we also need humanity and the world to worry about the number of people without rights in this world; for humanity to worry about the millions of men and women who do not know they have rights; and for

humanity to worry about the millions of men and women who do not know how to read and write the words human rights. I think that to debate precisely this concept is what we want, and to avoid, and I tell you this very sincerely, blockade, debate, and condemnation of everything done, which obviously makes it possible for a few to make the decisions. The few, the powerful are the ones who make the decisions.

[Arleen Rodriguez] I will take advantage of this tie-in with Arsenio's question. In the midst of the shortages we are experiencing, the limitations, which are not a few, in general, the limitations which we Cubans suffer daily, everyone sees Cuba's priority as the lifting of the blockade, which is one of the main violations of Cuban human rights and focuses on discussing Cuba in order to answer or be on the offensive against those who would attack Cuba. Yet for the longest time, Cuba was the voice that represented many other Third World countries, the voice that carried the flag of the poor. Will Cuba, busy confronting a hostile policy, have time to denounce other human rights violations in the world?

[Robaina] I am absolutely convinced of this. I would not only say that Cuba will have the time, but also that life has taught us that the problems of our brothers throughout the world are as important as our own problems, and much more important. I believe that undoubtedly we can say that as difficult and hard as our situation is, in the particular case of Latin America ours is not the most difficult nor the hardest. Remember something Frei Betto said: I believe that to speak today of human rights in Latin America is almost a luxury. In Latin America one must speak of survival rights because the immense majority of this America has to worry about survival rights—shelter, food, and other issues of this type. We are going to speak on behalf of human rights and how we have defended human rights in Cuba, although it might pain us to speak of survival rights being trampled in Latin America today.

[Anarco] Listening to you, I get the impression the Cuban Government has a certain fear regarding the U.S. interest: With the Cold War over, there is no longer a valid pretext to continue the blockade. Therefore, I get the impression the major worry of the Cuban Government is precisely that the human rights subject is being used as the main weapon to continue justifying the economic blockade against Cuba. Am I right?

[Robaina] You have brought up something extremely interesting. I believe this is a subject we can discuss at length. First of all, we have to see whether it is true that the Cold War is over. Or whether new, covert forms of the Cold War are appearing. In certain areas the war is very hot, rather than cold. I would like to give an example: Is what we saw at the Guantanamo Base Cold War or not? I believe that, together with the blockade, what we need to look at in this major human rights campaign is whether there is or is not a very covert manifestation of the Cold War. I believe that for this reason we cannot be satisfied with the fight against the

blockade alone, which for us continues to be anachronistic, unfair, and inhuman. Not just for the Cuban people, we have to take into consideration how the world has responded to the blockade. This is why I think we have to discuss and rescue the banners for which this project was conducted and this effort was made. This project was done precisely for the most human of the rights of the millions of Cubans alive in 1959. A banner that existed and that we defended for a long time—how it is possible to let anyone take it away through meetings, votes, and events? This is a phenomenon we need to discuss very strongly. We also need to be aware of the dangers of this manipulation.

[Copa] What difference do you see between human right and civil rights, and do you believe Cuba fulfills the requirements for the two?

[Robaina] I do not exactly speak of differences because I believe civil rights are a part of human rights. I believe it is necessary to become aware that as important as the concern for civil rights, much more important is the concern for basic human rights. I know the right to vote is important; but before you can vote you have to be alive, have the possibility of knowing why you are voting. I believe that what is needed for belonging to an organization is first to belong to life. In my opinion, the essential right to life, to be human, is broader and has not been given the priority we believe it should have. I therefore refuse, we refuse, to defend one right over the other. I believe we should be concerned with every human right, everywhere in the world; this is the most important thing to us. This is a concept I believe I should defend and I am fully convinced that in Cuba the conditions exist to fulfill it. I believe that in the specific case of what is being presented as individual and civil right nowadays, there are limitations which Cuba has not imposed. They exist and are imposed in the same measure that we are a highly blockaded spot, under great pressures. We cannot afford certain freedoms because very serious facts and problems come into play.

[Hackin] During his recent trip to Cuba, European parliamentarian Eugenio Malandri told INTER PRESS SERVICE that there are different ways to confront the problem of human rights. Cuba says it fully respects mankind's essential rights: life, health, education, political participation. Malandri added that in Europe the view is more formal, hinged on the right to opposition, dissension, and a multiparty system. Malandri added that this view can be solved in cordial talks but not by strengthening the blockade. Would Cuba accept discussion of those subjects?

[Robaina] I believe that, more than discussing issues, we are going to discuss a more profound concept. I believe we do not have to accept that formal view which Malandri talks about in the case of Europe in this part of the continent and in light of our reality when this is the priority of our rights. Not matter how formal this might be for a European housewife, you have to look at who is a European housewife and who is a homeless housewife in

Latin America. These are issues we do not accept. It is not that it has more or less importance in Europe, I think you can not use the same magnifying glass with which you see these rights in Europe in a Latin America where the priority is not a home but the lack of more essential things. I believe we can discuss many things but we reject the idea that only those realities that correspond to different realities can be used while ignoring our realities.

[Lozano] Certain sources have said that Cuba is opposed to more participation by nongovernmental organizations in the UN system for the protection of human rights. I would like to know the official position on this. What role do nongovernmental organizations play in Cuba? And which of these Cuban nongovernmental organizations will be represented in Vienna?

[Robaina] First, I also believe this is something at which Cuba is presently working. This has to do with the fact that the Cuban nongovernmental organizations have arrived in Vienna ahead of me. They all are in Vienna now. Over 20 Cuban nongovernmental organizations are participating and are involved in this effort prior and during the conference. We believe they can play an extremely important role because they work with the youth, children, students, women, important schools, foundations, etc. They have many arguments. I believe that obviously the role they can play is very valuable because many of them have examples of things they are seeing and taking care of today. They also guarantee a level of intercommunication and relations with other nongovernmental organizations which allows us to reach doors which are very difficult to open through their respective governments. I believe much progress can be made this way. I believe that we are just beginning. I tell you this with all sincerity. We do not yet have the result we wish and perhaps need but obviously we are at a very important take-off point.

[Arsenio Rodriguez] The United States and its allies have always claimed that Cuba does not cooperate with the Human Rights Commission, which Cuba has proven on more than one occasion a blatant lie. What has been Cuba's position during the organizational portion of this conference which starts next week?

[Robaina] We have come with a position of...[changes thought] They insist we do not cooperate because if to cooperate is to capitulate to those concepts, we would not cooperate. We have defended our positions and beliefs, which are not Cuba's alone. It has to do with sides and movements to which we belong, and the regions we live in. These positions are not Cuba's alone. Many other share several of these ideas. This is the spirit which with we have participated and worked. The preparatory work has been very intense because there have been efforts to impose rules with which we do not agree, structures and powers which are obviously against us, the most poor. We will discuss this but will uphold our positions even if this is called, and we run the risk of its

being called, noncooperation. We prefer to uphold this. The world in the end will understand that we are truly cooperating.

[Anarco] Who are Cuba's closest friends at the moment? Which have turned around? What countries are coming closer or falling away at this time which is so special for Cuba?

[Robaina] Obviously, you are asking a very complex and broad question. I guess it does not have much to do with the human rights issue. It is tied in, of course, but it goes further. I believe Cuba has more friends than ever. I tell you this with all sincerity. It is true that eastern Europe fell—a world we were very close to—but in the same measure and thanks to Cuba's capability to speak with its own voice and continue to exist, we have more friends than in any previous years. I believe that we cannot talk about friends in economic terms, we are economically joining a very complex world. We have many economic friends but we have to implement rules; the prices that existed before no longer apply. Politically, we do not only have friends at the government level, but in my opinion we have something equally important, numerous men and women who respect Cuba because of that capability to resist, for happiness, for victory, and dignity. I can tell you that as never before we have very important relations with Africa, ties with the PRC, and a new joining with Latin America.

[Robaina] I believe that for those who say we are isolated, we are better accompanied than ever. I prefer not to mention any specific country for fear of forgetting a friend. There are many.

[Arleen Rodriguez] You have explained a lot about the game rules already established in this unipolar world by the United States and other powerful countries in relation to the human rights issues. Could we expect any changes, any understanding of this point? Will the Cuban people see any immediate results from the discussion of this subject in Vienna?

[Robaina] This is very interesting because I am sure that to our own people it might be very interesting. Life has shown that our people are politically very active. This is undoubtedly so. They have demonstrated this all along. More than the conference giving us something....[changes thought] We should not raise false expectations. The conference does not have much to give to the people. It is my opinion that our people have much more to contribute to the conference in terms of human rights which here are a reality and exist. I believe we are going to provide more to this meeting than we will get. I believe that this is what we have to explain there. The unfulfilled wish remains—not being able to present the full effort the people are making and living. I have no doubt we will try to do this but I believe the conference will receive greater benefit from what we can provide on behalf of our people.

[Rodriguez] The time is almost over. Is there anything else you would like to add?

[Robaina] I would like to add only one thing. In a few hours in Vienna, an event will take place that, in my opinion, has antecedents dating back almost 40 years. Forty years ago, when the Moncada attackers were tried, they were the accused. I believe that on this occasion they want to bring us in as the accused; but to me it is more important, and we have the moral standing, to become the accusers. I believe this is how we will approach the conference.

On the other hand, I believe that—and this is a very Cuban thing—in deference to certain rights, it is better to conclude the news conference with passion and without prejudice [play on soap opera's name] so that our people can see the episode that is about to begin.

[Rodriguez] Dear viewers, the news conference is over. We regret the absence of other foreign press organizations that decided not to participate today in this news conference. We thank the journalists present here and your kind attention. Good night.

Minfar Announces Beginning of Military Exercises

FL1506022793 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 15 Jun 93

[Text] The Ministry of the Revolutionary Armed Forces [Minfar] has announced that between 15 and 18 June, military exercises will be carried out in the territories of the Western and Central Armies as activities concluding the year's first period in the country's defense preparations. These exercises will involve mobilizations of Army troops, flights of combat aviation, navigation of Revolutionary Navy units, and offensive maneuvers [maniobras con tiros]. Shots and explosions will be heard.

Inter-Caribbean Affairs

Windwards Seeking New Strategy on GATT Offensive

FL1406180393 Bridgetown CANA in English 1546 GMT 14 Jun 93

[By Peter Richards]

[Text] Castries, St. Lucia, June 14, CANA—The Windward Islands are pursuing a new strategy to frustrate continuing efforts by Latin American countries to achieve a liberalised market for bananas within the European Community.

The plan was outlined last Friday night by Grenada's Agriculture Minister George Brizan, as he took part in a discussion on the sub-region's banana industry during a unprecedented "live" radio link-up with Prime Ministers James Mitchell of St. Vincent and the Grenadines, John Compton of St. Lucia and Dame Eugenia Charles of Dominica.

The new strategy seeks to block the success of any further initiatives by the Latin American banana producing countries at the level of the General Agreement on Tariffs and Trade (GATT), the global trade regulatory body.

A panel of the GATT, in a ruling last month, upheld arguments by the Latin Americans that the preferential treatment the European Community gives to Caribbean bananas under the Lome Convention, placed them at a disadvantage in their trade relations with Europe.

Brizan said the Windward Islands were seeking the support of other African Caribbean and Pacific (ACP) producers whose bananas also receive preferential treatment in Europe, to ensure the Latin Americans do not succeed in getting the GATT to institute a new panel to review the banana trade at a meeting of the GATT Council on Wednesday.

"...The most important element of the strategy at this point in time is to avoid at all cost the fast track procedure which will be requested by the Latin American countries when they request a second panel to look at the regulations governing the banana regime," Brizan said.

"Once that has been achieved, it will provide at least nine months before there is any conclusion to the second panel's work, and certainly during that time the Uruguay Round of the GATT (which seeks to liberalize global trade in agriculture), should have been completed."

The determined bid by the Latin Americans for a bigger share of the European banana market, has caused strained relations with the Windward Islands which accuse the Latins of seeking to drive them out of their traditional market by insisting on free trade.

During the two-hour radio discussion, participating government and banana industry officials urged a "closing of ranks" among ACP countries to counter the growing threat to the preferential treatment of bananas.

Dominica Prime Minister Dame Eugenia Charles said it was important for Caribbean countries to mount an offensive in Europe to counter the Latin Americans ahead of the GATT Council meeting where the recent panel ruling in the Latin Americans' favour, will be fully discussed.

"We have to ensure that the majority of the council have the banana point of view that we have...", Charles said.

St. Lucia Prime Minister John Compton said he had written the commonwealth, urging members on the GATT Council to vote against any measure which would result in the demise of the Caribbean banana industry.

Further, he contended the offensive should aim at getting the GATT to understand that Europe has an obligation to ACP countries under the Lome IV Convention.

Protocol Six of the convention assures ACP countries that in any reorganisation of the European market, they will not be placed at a disadvantage as it relates to the importation of their fruit.

"If these assurances are not acceptable under the GATT rules, then we must seek a waiver from the GATT rules so that the Europeans may discharge their obligation to us," Compton said. "It is really treaty against treaty... The GATT treaty is not cast in stone."

Caribbean governments have argued that the developed countries, while pushing GATT for international trade liberalization, continued to provide various forms of protection for their industries, at the expense of developing countries.

"This is why all 44 ACP countries who are signatories to GATT, must ensure that the fast track mechanism for the second panel fail," Brizan said.

St. Vincent and the Grenadines Prime Minister James Mitchell said the Windward Islands were going to ensure that at the GATT Council meeting, there was representation by every Caribbean country to deal with the banana issue.

"Very often one has to make the same point in GATT over and over, but it has to be made by different delegations, so we have got our position thoroughly studied and we will do that".

Mitchell also said: "We are working to get the ACP Secretariat activated, we are working to get our diplomatic contacts going...not only in Europe but wherever they do exist and every time we meet with other politicians.

"We are working to ensure that whatever arguments that we have, we will put them forward in the best way we can".

The radio discussion also brought to the fore, two central issues in the debate on the future of the banana industry - the role of Windward Islands opposition parties in the effort to save the European market protection, and a proposed restructuring of the industry in which the Windward Islands Banana Growers Association (Winban) would be phased out.

Callers from the four islands asked the governments to indicate why opposition politicians could not be part of a united Windward Islands delegation lobbying European interests.

Many referred to accusations by SCOPE, the standing Conference of Democratically Elected Opposition Politicians from the Eastern Caribbean. SCOPE has said on numerous occasions that its efforts to get a bi-partisan approach to the banana issue, have always been dismissed by the governments.

"When I go to Europe, I never had any meeting with opposition parties. Governments negotiate with governments," Mitchell said.

Said Compton: "We must not politicise the banana issue, the banana field should not be the battle ground. We are fighting for our very existence."

Dame Eugenia was blunt in accusing opposition parties in Dominica of politicising the issue.

On the question of phasing out Winban, the leaders insisted their call should not be seen as a public vilification of the organisation which groups national banana growers associations in the four islands.

"The problems today facing the industry require a structure much deeper than Winban," Brizan said.

"Winban cannot in the 1990s live with a constitution that was created for situations of 1954. We have to get together...to create a new vehicle for us to be taken into the 21 century," Compton said.

Winban's President Elijah Marquis, who took part in the discussions, indicated the organisation was against the attempt to phase it out but acknowledged the organisation had to change.

"You could question whether we need to get involved in other areas of activities and I will answer yes. Perhaps it is one of our failings that up to this point that we are not integrated into the system by the way of marketing and shipping," he said. "Those are areas we need to address in our re-organisation."

Windwards Banana Production Increase Reported in 1992

FL1406183993 Bridgetown CANA in English 1640 GMT 14 Jun 93

[Text] Castries, St. Lucia, June 14, CANA—The St. Lucia-based Windward Islands Banana Growers Association (Winban) said Monday 1992 was a good year for banana production in its member territories.

Winban said St. Lucia, Dominica, Grenada and St. Vincent and the Grenadines produced nearly 50,000 tonnes more in 1992 over the production figure for the previous year.

It added that in 1992 production stood at 274,539 tonnes compared with 225,640 in 1991.

Financially the four islands reaped more from the industry last year than in 1991, with estimates being put at EC376.3 million dollars (one EC dollar = 37 US cents) in 1992 as against EC326.7 million dollars in 1991.

St. Lucia's output of 132,853 tonnes in 1992 was up from the 100,590 tonnes of the previous year. The island's revenue intake also increased from 146.4 million dollars in 1991 to 184.9 million last year.

St. Vincent and the Grenadines, with a production figure of 77,361 tonnes in 1992, received a revenue intake of 101.4 million dollars.

In 1991 production stood at 62,874 tonnes valued at 89.5 million dollars.

Dominica production figures were given as 58,025 tonnes in 1992, up from 55,251 tonnes the previous year. Revenue earned also jumped from 80.9 million dollars in 1991 to 82.2 million last year.

Grenada occupied the cellar position for both production and revenue, with the island recording a production figure of 6,300 tonnes in 1992 as against 6,925 tonnes in 1991.

Revenue also dipped, from 9.9 million dollars in 1991 to 7.8 million dollars last year.

Caricom Includes Dominican Cross-Border Trading

FL1506022493 Bridgetown CANA in English 1934 GMT 14 Jun 93

[By Linda Hutchinson]

[Text] Port of Spain, Trinidad, June 14, CANA—Caribbean Community (Caricom) finance ministers, at a meeting next month in The Bahamas, will consider a proposal to include the Dominican Republic in regional cross-border trading.

The proposal came out of a meeting held in Guyana last week involving officials of the Caricom secretariat and the stock exchanges of Trinidad and Tobago, Barbados and Jamaica, with observers from the Caribbean Association of Industry and Commerce (CAIC), the University of the West Indies (UWI), and one representative from the Santo Domingo Stock Exchange in the Dominican Republic, which has observer status in Caricom.

"It was agreed in principle to widen cross-border trading to include Santo Domingo," a source told the Caribbean News Agency (CANA). The group met to discuss the deepening of cross-border trading among the stock exchanges of Trinidad and Tobago, Barbados, and Jamaica.

The source said the Dominican Republic saw the benefit of cross-border trading, especially since investors in the Spanish-speaking country would have an opportunity to get into the English-speaking region.

"We've often felt that the broader the (cross-border) trading group, the better the investors can diversify their risks and hold a more balanced portfolio of securities," said the source.

Another proposal expected to go before the finance ministers related to getting an international agency to sponsor a study of the cross-border trading with "respect to integrating the market by way of computer."

The group agreed that one of the major issues affecting regional trading was the information flows on the three exchanges.

"It was felt that there should be daily trades of the exchanges by way of the media in the three countries," said the source. "The whole idea is if we give more information, the investors would become attractive to the market." Another constraint inhibiting cross-border trading was the floating of the dollar in Jamaica and Trinidad and Tobago. "Both in Trinidad and Tobago and in Jamaica, investors would have to take this variable into consideration when making investment decisions."

Reviewing the performance of regional trading, the group felt that it was positive. "We realised it was a long-term activity and it will take time to evolve."

Haiti

Parliamentarians Restore Aristide to Presidency

FL1506115693 Port-au-Prince Radio Tropic FM in French 1030 GMT 15 Jun 93

[Text] Senators and deputies of the Alliance [for Parliamentary Cohesion, ACP] and the Socialist Bloc have been meeting in National Assembly, where they adopted a draft resolution presented by pro-putschist Senator Julio Larosiliere favorable to the application of Article 148 of the Constitution. According to this resolution, the president overwhelmingly elected on 16 December 1990, President Aristide, is restored but currently unable to serve [constate empeche]. The president thus has the power to appoint a prime minister responsible for forming a government of concord and national reconstruction, a government that should reflect all political factions within the parliament, especially those represented in the Haitian parliament.

Another article in the draft resolution compels the president, who is currently impeded from serving, to respect all actions taken by the de facto authorities from 30 September 1991 until the new prime minister is appointed.

Parliamentary Opposition on Aristide 'Reinstatement'

FL1406223093 Port-au-Prince Radio Metropole in French 1045 GMT 14 Jun 93

[Text] The parliamentary opposition has publicly rejected a legislative resolution to reinstate President Jean-Bertrand Aristide. To Senator Firmin Jean-Louis, who presides over one of the two Senate offices, reinstatement implies that at some point, Jean-Bertrand Aristide was no longer president of the Republic. Resignac Ansy-Rose filed a report:

[Begin recording] [Ansy-Rose] It is a way of asserting that the application of Article 149 of the Constitution is not applicable under the current circumstances. Sen. Firmin Jean-Louis wishes to point out that it was never a question of presidential vacuum since there was neither a voluntary resignation nor a dismissal by the

Supreme Court, nor was Father Jean-Bertrand Aristide physically unable to carry out his functions.

Recalling that none of these reasons was presented on 30 September 1991, the parliamentarians from the constitutionalist anti-corruption bloc rather support the notion of hitch [as heard]. According to them, the forced departure of President Aristide, acknowledged by the Parliament on 8 October 1991, should not be interpreted as termination of the constitutional mandate of the 16 December 1990 election, a five-year mandate that can neither be shortened nor extended.

[Jean-Louis] At no time has President Aristide stopped being head of state. Since 8 February 1991, he has been the legal, legitimate head of the Haitian state. The 30 September coup, however, has prevented him from fulfilling this function within the country.

How can it be considered a vote of resolution to reinstate the people's choice? Reinstatement? In whose eyes? Reinstatement by whom? Are the legislators legally and constitutionally authorized for such an act? Such an initiative will be null and void and will indict those who commit it for treason. A so-called reinstatement of President Aristide by the Parliament, with the participation of those illegally elected in the illegal and unconstitutional 18 January elections, could only be one more maneuver aimed at legitimizing the electoral farce declared null and void by the Senate resolution of 3 February 1993.

The Senate of the Republic takes this opportunity to bring the attention of the honorable legislators to the seriousness of such an act. The notion of reinstatement implies that at some point, President Aristide was no longer president.

[Ansy-Rose] The parliamentary opposition therefore believes that the parliament is not authorized to elect a president at this new level. According to the constitutional bloc led by the Senate president, it would be a blatant violation of Article 138 of the Constitution and would negate the democratic benefits of more than 43 years of political struggle. This opposition wants the Senate to limit itself to its duties to avoid falling into unconstitutional territory. What is needed today, said Sen. Firmin Jean-Louis, is a firm commitment that paves the way for reinstatement of the legislative power itself.

Finally, he favors talks among the various factions in order to free parliament of all those elected during the electoral masquerade on 18 January who made the parliament an element in the crisis. These were the exact words of Sen. Firmin Jean-Louis. [end recording]

Senator Questioned on Army Acceptance of Aristide

FL1406224893 Port-au-Prince Signal FM Radio in French 1030 GMT 14 Jun 93

[Excerpt] Senator Serge Joseph believes that at the opening of the year's second parliamentary session, the

senators will be able to propose the application of Articles 148 and 149 of the Constitution. In his opinion, Article 148 speaks of unexpected obstacles for President Aristide, while Article 149 allows the presidential vacuum to be filled. Sen. Joseph asserts that the Army is ready to accept the solution that the parliamentarians present on the occasion of this year's second session, which will open today at 1500 GMT, according to the note of convening issued by the Office of the Senate, comprising members of the Alliance for Parliamentary Cohesion

[Begin recording, in Creole] [Joseph] If you wish to restore President Aristide, see Article 149 to fill a presidential vacuum. Do you understand what I am saying? To fill a presidential vacuum. This is the reason I can tell you that Article 149 has a dual definition. It means you can choose the president of the Court of Cassation. It also means that you can restore President Jean- Bertrand Aristide.

[Unidentified reporter] Nobody will deny that so far as the solution to the crisis is concerned, the Army has a role to play. Does it give its support, its consent, to such a solution?

[Joseph] My dear, I am telling you all the truth. I do not wish [words indistinct]. You must report it the way I say it, for the enlightenment of the international world and for the enlightenment of the entire Haitian people. They have been saying that the Army is entangling, that the Army is entangling [repeats himself]. But this time, I do not see that, because good will and self-sacrifice exist within the Haitian Armed Forces. [passage omitted]

Anti-Aristide Plan To Terrorize Military Denounced

FL1406205893 Port-au-Prince Signal FM Radio in French 1030 GMT 14 Jun 93

[Excerpt] The Democratic Organization for the Development of Haitian Youth [Organisation Democratique pour l'Epanouissement de la Jeunesse], ODEJH, denounces the weekend murder of a yet-unidentified Haitian soldier. This killing matches the plan for destabilizing the people's organizations that are working for Aristide's return to the country. Let us listen to the ODEJH spokesman.

[Begin unidentified speaker recording in Creole] We know that a soldier was killed on the night of 11-12 June between 0800 GMT and 0900 GMT in the area of Macajoux and Dr. Aubry Streets. We in ODEJH forcefully protest what is now going on in the country, where military personnel are being killed. We fear reprisals against the civilian population. That is why we tried to inform the press of what occurred as soon as we heard about it.

Again, we tell the press that the Army General Staff should look for those dissenters who are doing this work from within the Army because it is people from inside

the institution who are doing it, to discredit the people and the partisans of Aristide. They have a plan. They plan to kill certain military people in the more populated areas, then make Aristide's partisans appear responsible, in an effort to discredit the president.

We protest these occurrences because they work against what we are trying to accomplish. We are fighting against what is not good in the country and against human rights violations. We would not commit human rights violations. That is why we tell the Army General Staff to please identify those people within the Army. They are causing problems for the civilian population because after they commit such actions, they usually turn to destroying the civilian population while they themselves are killing military. [end recording] [passage omitted]

Opposition Legislators Split on Proposed Solutions

FL1106213993 Port-au-Prince Radio Metropole in French 1045 GMT 11 Jun 93

[Text] Seventy-two hours after the resignation of the prime minister, the parliament which basically took charge of the case has still not commented. There was no formal session held on 9 June, only informal meetings, one of opposition legislators, the other of about 30 deputies, members of the Alliance for Parliamentary Cohesion who have supported Bazin's government. The two main proposals under consideration are Articles 148 and 149 of the Constitution. Ansy Rose Resignac filed a report:

[Begin recording] [Resignac] After their meeting, the legislators of the constitutionalist bloc made a brief statement asking that the ousted president select a prime minister to be ratified by the legislators elected on 16 December 1990 and 20 January 1991. They believe that any solution that does not consider the will of the Haitian people could provoke a social explosion in the country and prolong its diplomatic isolation.

[Unidentified legislator] This solution follows the return to constitutional order which involves: first, the designation of the prime minister by President Jean-Bertrand Aristide; second, the ratification of this prime minister by the legislators elected on 16 December 1990 and on 20 January 1991; and third, the effective return of President Jean-Bertrand Aristide to his office.

[Resignac] The opposition legislators refrained from saying whether the Council of Ministers could fill the vacuum caused by Bazin's resignation pending the outcome of the process leading to the ratification of the new prime minister.

On the other hand, the deputies of the Alliance and the socialist group have not reached a common position. Some support Article 148, in favor of the return of the ousted president. Others chose Article 149 that would lead to holding new elections. Deputy Gabriel Sanon, who took part in the meeting, explains:

[Sanon, in Creole] They are going to discuss those who favor Article 148 or 149. I think that those who favor Article 148 propose the return of Aristide immediately, with conditions. It depends, for example, on whether he is coming to stop the slaughter that I know Aristide's return might provoke, that could end up in civil war.

[Unidentified reporter] When do you plan to discuss the proposals made? Will it in national assembly?

[Sanon, in Creole] The president and some members of the Chamber of Deputies attended an important meeting with other concerned parties. I believe that by tomorrow we will reach a solution.

[Resignac] The president of the Senate, opposition bloc Senator Firmin Jean-Louis, hailed with great optimism the events that led to the resignation of Prime Minister Marc Bazin.

The resignation of this de facto prime minister whom we censured last February constitutes an eloquent proof that delaying politics have no future in this country, the FNCD [National Front for Change and Democracy] senator said during a news conference. It is the total failure of a political operation that tends to discredit the country's institutions, he added. Firmin Jean-Louis thinks that the focus is on national political and institutional reconstruction and the recovery of credibility and legitimacy of institutions, especially the Senate. He called on the legally elected legislators to restore legitimacy and legality. [end recording]

UN/OAS Mission Issues Report on Rights Violations

FL1106205093 Port-au-Prince Signal FM Radio in French 1030 GMT 11 Jun 93

[Excerpts] Although a decrease in [the number of] human rights violations was recorded recently in some departments of Haiti, they remain serious and numerous, notably in Port-au-Prince, said the UN/OAS international civilian mission on 9 June in the Haitian capital. During a news conference presenting a report on the period from 9 February to 31 May, mission officials pointed out that even though the deployment of the civilian mission has not brought [word indistinct] to repression, it has had positive effects on the human rights situation in some departments. [passage omitted]

In its report, the mission says that since its arrival in Haiti on 9 February it has recorded serious and numerous violations of human rights: arbitrary detentions, systematic beatings, torture, arbitrary executions, deaths following torture and cruel treatment, distressing detention periods, and forced disappearances. The officials also noted a recent decrease in arbitrary arrests, the release of persons arbitrarily arrested or detained for a long period, more frequent court appearances by prisoners, and a decrease in beatings.

While denouncing the obvious reservation, indeed hostility on the part of the Army, the mission pointed out that at the end of May the military high command held a meeting with department commanders to discuss measures aimed at preventing rights violations, in particular by avoiding gratuitous violence. In the opinion of the mission, those violations were perpetrated by members of the Armed Forces or by armed civilians, frequently acting with impunity and apparently under the authority of or with the consent of the military.

Costa Rica**Calderon Views Summit as Support for Guatemala***PA1206033693 San Jose Radio Reloj in Spanish 1730 GMT 9 Jun 93*

[Report by William Cespedez]

[Text] The Central American presidents will meet in Guatemala on 17 June for an event that will be more a show of support for the new Guatemalan Government than a discussion of regional matters.

Costa Rican President Rafael Angel Calderon Fournier views the meeting as a show of support for constitutional rule and democracy in Central America after Guatemala overcame the self-inflicted coup by former President Jorge Serrano.

[Begin recording] [Calderon] It is true that Guatemala's democracy was jolted by the previous administration's decision to close Congress and the Supreme Court and by Serrano's subsequent retirement from his functions. I think Guatemalans were put through a difficult test, but they survived. Guatemala has demonstrated that democratic governments and democratic, institutional rule can resolve situations as difficult as this one within the framework of the Constitution and democracy.

The Guatemalan Congress, in accordance with the Constitution, democratically elected a constitutional president. The democratic process continues; that is the positive side of events. We hope the subsequent problems will not leave scars on Guatemala and that everything will return to normal. That would allow us to begin negotiations on the new integration treaty with the new Guatemalan Government. We had made great progress in our negotiations with the Serrano administration. Costa Rica respectfully made some observations. We said: If they want to go further, they may do so, but we cannot go along with them. We were, however, on the verge of reaching an agreement because most of our requirements had been accepted.

We are going to have good relations with this new government and will reach agreements that will benefit all Central America.

[Unidentified reporter] Has a date been set for the summit? Are there any specific issues?

[Calderon] The meeting will take place on 17 June. It will be a very brief summit. We realize the Guatemalan Government is being formed right now. I think the main issue will be the ratification of the Esquipulas democratic principles, a road on which Central America is marching as one. The fact that the meeting is taking place in Guatemala despite recent events in the country is a symbolic ratification of the democratic will of all Central American people. [end recording]

The Central American presidential summit in Guatemala on 17 June will last only a few hours. President

Calderon confirmed that heads of state will arrive in the morning and return to their respective countries in the evening. Calderon will be accompanied by Foreign Minister Bernd Niehaus and Foreign Trade Minister Roberto Rojas on his trip to Guatemala, where he will contact the new Guatemalan Government to discuss various issues.

Former Guatemalan Vice President Arrives 11 Jun*PA1206155393 Mexico City NOTIMEX in Spanish 1510 GMT 12 Jun 93*

[Excerpts] San Jose, 12 Jun (NOTIMEX)—Gustavo Adolfo Espina Salguero, former vice president of Guatemala, arrived in Costa Rica at 2030 local (0230 GMT) on 11 June as a political refugee, official sources reported on 12 June.

Espina Salguero arrived in a commercial flight on Aviateca Airlines, accompanied by his wife Thelma and his sons Manuel, Gustavo, and Thelma. He also brought his brothers Arnulfo and Walter Espina, who will only remain a few days in the country, the sources said.

Espina Salguero, in a brief statement to the media refused to talk about the political events in his country in late May and denied his participation in the self-inflicted coup staged by former President Jorge Serrano on 25 May.

He said, "I did not sign the documents that outlined the temporary government decrees. I am simply being accused because according to the Constitution, as vice president, I was also responsible for the president's actions."

"I have come with a broken heart...departing my homeland was painful...my family does not deserve this nightmare, but thanks to God we have come to a land where one breathes democracy," Espina Salguero said. [passage omitted]

"I have no idea what I am going to do, Salguero said, besides visiting friends... I only know I am grateful to this country that gave us a hand."

El Salvador**Cristiani Questioned on Discovery of Weapons Cache***PA1406225893 San Salvador Radio Cadena YSU in Spanish 1806 GMT 14 Jun 93*

[News conference by President Alfredo Cristiani with unidentified moderator and domestic and foreign reporters at the Presidency; broadcast in progress—live or recorded]

[Text] [Cristiani] ...their incorporation into the country's institutional civilian and political life. This pertains exclusively to the discovery of weapons in Nicaragua, which we all know about. We also know about reactions

of the UN secretary general and the president of the UN Security Council. There are other aspects that have been reported before the UN Observers for El Salvador [ONUSAL], which were perhaps not considered to be very important when viewed on an individual basis, but the situation is much more serious now with the addition of these discoveries.

One aspect was that the Farabundo Marti National Liberation Front [FMLN] presented a weapons inventory to the UN secretary general who issued a certification. When the destruction of the weapons started, however, it was discovered that more than 20% were not on the inventory. Another aspect was the presence of armed groups; that is, of members or sympathizers of the FMLN who have not yet demobilized. We have denounced this to ONUSAL. We learned recently even ONUSAL confirmed that some of these armed groups are operating in Guasapa, Chalatenango, San Salvador Volcano, and other areas. There is a considerable number of armed individuals who still refuse to demobilize.

We demand action in either of two directions: We want them to demobilize. If the FMLN, however, feels these people do not follow its line and are perhaps rebel groups, it should clarify this publicly because the government would take action in keeping with the law; that is, treat them as common criminals. We cannot, however, continue to tolerate the presence of armed groups of this kind in the country.

We think it is important to withhold the certification the UN secretary general issued on 15 December until the FMLN surrenders all the weapons it has here and abroad. I say here because we have reported the discovery of arms caches here for a long time. We think there are still more weapons here in El Salvador.

In this regard, so long as the FMLN does not surrender and destroy all its weapons and all the combatants or former combatants do not demobilize, this certification will be withheld. This could, of course, cause internal political and legal repercussions for the FMLN, if it does not demonstrate in the short term its willingness to abide by the agreements.

This was the tone of the letter sent to the secretary general 11 June. We have not yet received a reply, as it was delivered to Ambassador Ramirez Ocampo here. I understand a photocopy was delivered to the secretary general on the morning of 14 June.

[Moderator] Thank you, Mr. President. Jorge Barahona of (?TELEPRESS).

[Barahona] Mr. President, based on the previous statements, will the government ask the Supreme Electoral Tribunal [TSE] to suspend the FMLN as a political party?

[Cristiani] I understand that the TSE will have to make its own decision, because as we all know, when the FMLN was granted legal status as a political party, it was

predicated on the receipt of the certification by the secretary general. In this regard, I believe the TSE will decide for itself how it will deal with the existence of a political party that has demonstrated it is armed.

[Barahona] How do you see this? Is this legal? What is your [words indistinct]?

[Cristiani] Obviously, we believe any political group that arms itself is unconstitutional.

[Moderator] Wilber Gomez of "The Newscast."

[Gomez] [Words indistinct] two questions. First, regarding the finding of a weapons cache, evidently the People's Liberation Forces [FPL] [words indistinct]. The FPL even states this does not represent a setback to the process or will adversely affect compliance with the accords. We would like to know your opinion on this and what legal measures will you ask the UN secretary general to take?

Second, our country has become a transshipment point for drug trafficking. We would like to know the progress of the investigations into drug trafficking, as it was rumored that the storehouse [la bodega] had been rented in a real estate operation. We would like to know if the investigations have made progress and if some names of possible suspects have surfaced.

[Cristiani] First, the United Nations cannot impose legal conditions on our country because our country is a sovereign nation and the authorities are responsible for imposing legal actions of resolutions.

One of the problems here is the participation or nonparticipation of an armed group as a political party. This will be determined by the appropriate authority; namely, the TSE.

Concerning the groups that are still armed, depending upon the position of the FMLN, or if it has a strategy of maintaining armed groups.... [pauses] It would appear that this is what is taking place, because we have received reports that these groups are applying pressure to gain votes in the next elections. Obviously, this is not legal: They are issuing warnings and threats. In this regard, they would have to demobilize these groups and surrender their weapons.

We have eyewitnesses—this has also been confirmed by ONUSAL—who reported the existence of some of these groups.

If this is not the case, then they should publicly clarify it is a group that no longer responds to the FMLN. They should condemn the fact that these armed groups still exist and we would proceed as if they are gangs of common criminals. In addition, we have received reports that they have committed many robberies and thefts in that area. There will be legal repercussions, if necessary.

Regarding drug trafficking, we will continue to make an in-depth investigation of all the links stemming from the drugs seized last week. We have no information following the discovery of the drugs. Everything, however, will be investigated.

[Moderator] Roque Castillo, Radiopolis.

[Roque Castillo] Good morning, Mr. President. I just have one question regarding the cocaine. It has been mentioned that another ONUSAL member was involved. Do you have any knowledge about this trafficking?

[Cristiani] No, we have no information that a counternarcotics unit implicated any ONUSAL member.

[Moderator] Norma Jimenez, Radio El Salvador.

[Norma Jimenez] Good morning, Mr. President. The Ad Hoc Commission's recommendations end on 30 June. The government continues to believe the FMLN is an armed group. Would you predicate the fulfillment of the proposals and recommendations on the FMLN's destroying its weapons once and for all?

[Cristiani] No, for the time being we will continue to fulfill the peace agreements. Obviously, however, much will depend on the reaction, position, or action adopted by the FMLN regarding the weapons and the demobilization of the armed groups that still exist. You remember, in fact, the famous urban commandos. Neither they nor their weapons ever appeared in the concentration zones. They were not asked to show up, necessarily, but they relinquished their weapons. In that sense we believe it will depend on the attitude of the FMLN. If they do what is demanded of them now, so that their credibility can be restored, then everything will develop normally. For the time being, however, the government does not plan to halt, stop, or modify the fulfillment of the peace agreements.

[Jimenez] What will happen if they have not destroyed the weapons by 30 June?

[Cristiani] We will continue.... [pauses] Well, those that have been found have been destroyed. What interests us is to see if the FMLN continues to turn over its weapons, which we all know exist, both here and abroad.

[Jimenez] So the process will continue.

[Moderator] Guillermo Rivera, Radio Farabundo Marti.

[Guillermo Rivera] Good morning, Mr. President. First, in light of the latest developments in El Salvador, the auxiliary bishop of San Salvador recommended the redefining [relanzamiento] of the peace agreements. He termed it redefining of the agreements; in other words, revising the agreements. What would be the government's position on this? Also, what steps are being taken and what is the status of the agreement to implement the measures or suggestions of the Ad Hoc Commission?

[Cristiani] First, I do not really see it as a redefinition. The government has continued to do its part. We have continued to do our part, although some issues are in the process of being fulfilled. We face a situation in which virtually the sole substantial commitment on the part of the FMLN has been violated deliberately by the FMLN. This is clear now and no one doubts that the sole substantial agreement, which the FMLN was urged to fulfill, has been violated. This agreement was to carry out disarmament, to eliminate its military structure through the demobilization of all its combatants. In that sense, I think it is up to the FMLN to show the Salvadoran people, principally, it does want to participate as a group with total legality. We will continue to honor our commitments. There is no reason why we should have to redefine them. We have continued and will continue to fulfill our side of the agreement. An issue has been raised, however, that is very delicate and that, in fact, has raised serious concerns about the peace process, especially on the FMLN's part. This cannot be justified as they did when an arms cache was found and they said: Look, the person who buried the weapons may have died in a confrontation and we did not know they were here. That cannot be accepted any longer as a justification. It is clear there is a conscientious manner in which the FMLN has hidden weapons and it must surrender them. The FMLN must act now, as everyone is demanding, to clear up the situation and reorient its attitude.

[Moderator] Mary Reyes, YSKL.

[Unidentified reporter, interrupting] What is the status of the measures suggested by the Ad Hoc Commission?

[Cristiani] It will be concluded on 30 June. Regarding the other commission, we are starting to comply with several demands and others.... [pauses, laughs] Even the secretary general has said they cannot be met.

[Moderator] Mary Reyes of YSKL.

[Mary Reyes] Good morning, Mr. President. I have two questions. One refers to your comments on the need for the FMLN to change its position regarding the cached weapons. We know you meet with Onusal and FMLN delegates on Wednesdays. I want to know if, in addition to matters related to the Disabled Fund Council Board of Directors, you have broached the topic at those meetings? At a governmental level, have you told the FMLN it is endangering the process by not complying with its commitment?

The other question refers to your mediation in getting Mr. Jorge Serrano Elias to leave the Presidency after he carried out the self-inflicted coup. Mr. Ramiro De Leon Carpio stated in Guatemala that you had talked to Guatemalan opposition groups to get President Serrano to leave the country.

[Cristiani] First, we meet with ONUSAL on a weekly basis. The FMLN, however, does not participate in those meetings. All three parties only meet on special occasions. With regard to the weapons issue, we have not

broached the matter because weapons continue to be found. We had a meeting scheduled but it was suspended because we found 16 —I do not know how many more—arms caches. We have to get to the bottom of the situation to have all the facts for a meeting with ONUSAL and the FMLN. We only discussed matters related to the Disabled Fund at the meeting you specifically mentioned.

On the Guatemala question, the work was done by the Central American presidents. You will recall we met all day and a few stayed overnight attempting to get Guatemala to return to its constitutionality and to its institutions as promptly as possible. We did meet with representatives of groups who came here.... [station suspends broadcast]

Defense Minister Sees Political Motive Behind Officers' Murders

PA1406230693 San Salvador EL DIARIO DE HOY in Spanish 13 Jun 93 p 4

[Text] Defense Minister General Rene Emilio Ponce said the Armed Forces believe the recent murders of officers have a political motive and are not common crimes.

The defense minister indicated that the so-called Salvadoran Revolutionary Front (FRS), an apparently leftist dissident group, recently claimed responsibility for the murder of an officer of the 1st Infantry Brigade and two national policemen on the Northern Trunk Highway. "This case provides grounds for believing that the murders of members of the military are linked," Minister Ponce added.

He said that since January, seven officers have been killed in strange circumstances. Therefore, the Armed Forces has requested the intervention of the Salvadoran Judicial Branch.

He also said the cases have already been reported to the United Nations.

Ponce said that so far, none of the organizations claiming to monitor human rights has issued a public protest about the officers' deaths or at least insisted on their investigation.

ARENA Airls Advertisement on Political Platform

PA1406222693 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 14 Jun 93

[Paid advertisement by the Nationalist Republic Alliance broadcast during the "Let Us Speak Clearly" segment]

[Text] Armando Calderon Sol, Nationalist Republican Alliance presidential candidate, recently presented his 1994-99 national government plan to the Salvadoran people. He stated that the plan's fundamental objective is to form a great national alliance with all progressive groups to consolidate democracy, ensure peace, defend

the state of law, and achieve full development of the individual. He added we must all transform El Salvador into a country of opportunity, promote a spirit of national reconciliation, and reinstate a social peace that will forever eliminate fratricidal struggles.

Dr. Calderon Sol explained his administration's plans to address political, judicial, economic, and social issues. He emphasized that social development is fundamental, not only for all Salvadorans to live in dignity, but also to guarantee a firm and permanent peace.

Meanwhile, and to change the subject a bit, the war-mongering, criminal, and irresponsible policies maintained by the Farabundo Marti National Liberation Front [FMLN] in alliance with some parties, such as Democratic Convergence [CD], has started to raise serious concern among Salvadorans. Public opinion on this arms race policy promoted by the FMLN has been noted here, as well as internationally.

The facts are as follows: First, the Nicaraguan Government accused the Farabundo Marti People's Liberation Forces, which is directed by Salvador Sanchez Ceren and Facundo Guardado, of caching clandestine weapons in Nicaraguan territory. Several days later, the Salvadoran Government uncovered another important arsenal owned by the People's Revolutionary Army, headed by Joaquin Villalobos.

What has attracted the most attention of these regrettable incidents is that Ruben Zamora, CD presidential candidate, decided to accept no one other than Facundo Guardado as his running mate. Guardado is the one responsible for the weapons cache uncovered in Managua, Nicaragua.

Guatemala

President De Leon 'Pleased' With URNG Cease-Fire

PA1506004093 Panama City ACAN in Spanish 1642 GMT 14 Jun 93

[Text] Guatemala City, 14 Jun (ACAN-EFE)—Guatemalan President Ramiro De Leon Carpio said on 14 June he was pleased by the Guatemalan National Revolutionary Unity's (URNG) announcement of a unilateral cease-fire.

URNG member Luis Becker announced in Mexico that the guerrillas suspended their offensive military actions "as a sign of goodwill" toward the new president.

Before entering his office in the National Palace on 14 June, De Leon Carpio told the media that from the human point of view "we are pleased" with the insurgents' decision.

The unilateral cease-fire "is viewed favorably," the president reiterated. Nevertheless, he clarified he does not

yet have a specific proposal because his government "is analyzing the rebel announcement."

De Leon noted that approximately 72 hours ago there were armed confrontations in northwestern Solola Department, in which an Army specialist and two guerrillas were killed and nine soldiers injured.

The president has not commented on the URNG's proposal to meet in a Central American country in the presence of Guatemalan Bishop Rodolfo Quezada Toruno to exchange opinions on politically resolving the armed conflict.

The peace negotiations, according to De Leon, are not a priority of his government.

The dialogue between the government and the guerrillas was suspended before deposed President Jorge Serrano staged a coup d'etat on 25 May.

Army Spokesman Questions Cease-Fire

PA1506012493 Guatemala City Cadena de Emisoras Unidas in Spanish 0044 GMT 15 Jun 93

[Text] Army spokesman Captain Julio Yon Rivera has questioned the credibility of a cease-fire proposal announced by the Guatemalan National Revolutionary Unity. When questioned about the position of the Army, the military spokesman said the insurgents' proposal is contradictory because their actions are not consistent.

Yon Rivera was referring to an ambush on 12 May in Solola in which a specialist died and four soldiers and a civilian were injured.

The spokesman added the Army is willing to support any peace effort promoted by citizens. Any attempt to achieve peace will be supported, he said. When asked however, about a peace proposal announced by the insurgency, Yon Rivera questioned its credibility, claiming the insurgents' deeds contradict their proposals. He reaffirmed the Army has the duty to maintain the Republic's sovereignty and peace.

URNG Sees No Major Changes With New President

PA1506040793 Hamburg DPA in Spanish 0126 GMT 15 Jun 93

[Text] San Jose, 14 Jun (DPA)—The Guatemalan guerrillas considered here on 14 June that the designation of Ramiro De Leon as new Guatemalan president will not produce major changes in the political situation of that country, torn by war for 30 years. A spokesperson for the Guatemalan National Revolutionary Unity (URNG) said the military continues to impose their decisions. He expressed the belief that if De Leon does not adopt a firm position, he may be obliged to repeat the role of his predecessors Jorge Serrano and Vinicio Cerezo.

Regarding the peace negotiations, he said the rebels are ready to resume the dialogue begun in 1990. The dialogue

is currently at an impasse because of the different views held by both sides on various topics, particularly the human rights issue. The URNG proposed last week that De Leon choose any Central American country as a venue for the peace talks. The president believes, however, that the resumption of the dialogue is not his government's priority at this time, according to Hector Nuila, representative of the URNG Political Diplomatic Commission. Despite the new president's background in the field of human rights, Nuila said the rebels do not have great expectations on the future of the peace negotiations. He did say they hope De Leon will not repeat the situation that existed in the two previous administrations. Nuila voiced his skepticism regarding the success of the negotiations, especially following the appointment of General Jorge Perussina as defense minister. Perussina was former chief of the General Staff and is considered a hard-liner in the Army chain of command.

President Announces 180-Day Government Plan

PA1506035993 Guatemala City PRENSA LIBRE in Spanish 13 Jun 93 p 3

[Text] President Ramiro De Leon Carpio on 12 June announced a 180-day government plan to accelerate national development. The plan was halted for several days due to political events. The president, who affirmed his administration would exercise austerity, said his advisers were drafting a work plan for the coming two-year period that will include projects to benefit all sectors in the country. De Leon Carpio, who pointed out that he looks toward the future with optimism, told this newspaper that he is currently listening to the various sectors because he believes his government should include representatives from all groups to reach a political and economic balance.

Regarding the members of his cabinet, the president indicated he has not yet made any decisions on the issue but he will announce his slate of ministers during the week of 14 June. He said that any names mentioned unofficially can be considered purely speculative.

He announced that the Public Relations Secretariat of the office of the head of state will become the Government Information Secretariat [Secretaria de Informacion del Gobierno] and will inform the people about all executive branch activities.

In addressing the austerity plan, President De Leon Carpio emphasized that he is considering carrying out a strict reduction in government spending to include unnecessary or luxury items. He also said he is considering releasing personnel to trim down excessive bureaucracy.

He stressed that another of his resolutions was to fight corruption within government circles, which was one of his promises to the country's union and business organizations. He said the lack of honesty is one of the major problems affecting the government; therefore, he will fight corruption in various ways.

The president announced he will not live at the presidential residence, as his predecessors did. He will look for an adequate house near the National Palace. He said the presidential residence will be used for state functions.

He concluded by announcing that his government will be one of national agreement, to which end he will seek support from various organizations.

President Appoints Presidency Secretaries

PA1506012993 Guatemala City EL GRAFICO in Spanish 14 Jun 93 p 6

[Text] President Ramiro De Leon Carpio has only made two cabinet appointments so far: Hector Luna Troccoli as general secretary of the Presidency and Carlos Enrique Secaida Pinto as private secretary of the Presidency.

The president is carefully analyzing the list of candidates to fill the posts of ministers, deputy ministers, secretaries, and heads of other government agencies.

Honduras

Callejas Reaffirms Integration Plans

PA1106190393 Tegucigalpa EL HERALDO in Spanish 11 Jun 93 p 2

[Text] "We will continue on the path of Central American integration and there is a commitment" on the part of Guatemalan President Ramiro De Leon Carpio to achieve this goal, Honduran President Rafael Leonardo Callejas said on 10 June on returning from Guatemala City.

Callejas and Salvadoran President Alfredo Cristiani met on 10 June with their recently installed Guatemalan counterpart, whom they congratulated for the return of constitutional order to that country.

The Honduran president voiced his satisfaction based on his observation of a "very calm" atmosphere in the neighboring country, where former President Jorge Serrano Elias inflicted a blow against the established constitutional order on 25 May.

Callejas assured De Leon Carpio "voiced his gratitude for the way in which we presidents (of Central America) behaved."

President Callejas said Costa Rican President Rafael Calderon Fournier and Panamanian President Guillermo Endara Galimany already spoke on the telephone with De Leon Carpio to voice their firm support for his government.

Callejas rejected reports out of Managua that the region's presidents had advance warning of Serrano Elias' coup plot.

"That is absolutely false," the president said after demanding that the "diplomatic" source cited by a news dispatch be revealed.

Discua Reports on Armed Forces' Goals, Plans

PA1106133993 San Pedro Sula LA PRENSA in Spanish 8 Jun 93 p 3

[Text] Tegucigalpa—Armed Forces Commander General Luis Alonso Discua confirmed on 7 June that two territorial forces [fuerzas territoriales] battalions have been dismantled and that the Armed Forces will no longer give priority to the U.S.-imposed mission to combat communist advancement.

Discua reported that several young recruits have acquired immune deficiency syndrome and are undernourished and illiterate. Discua stated that all Armed Forces members will participate soon in a campaign to promote their spirituality and their ability to set moral examples.

The Armed Forces commander said facilities belonging to the two territorial forces battalions, which were dismantled three months ago, have been converted to forest ranger schools. He said the act is an example of how military assignments are being changed and should not be viewed as the initiation of an Armed Forces reduction. He added that other military units will be modified but did not give details.

Discua denied that the institution is currently considering another leadership shake up and refuted rumors that the Military Social Security Institute wants to buy the Honduran Telecommunications Enterprise, Hondutel. "We have not thought about buying Hondutel. The Armed Forces will accept the government's decision to privatize it," he said.

The general said he has good relations with ecologists, with whom he has held joint activities to protect and conserve the country's natural resources, which must not be destroyed.

Recent statements by a colonel claiming that people who used to be red are now green, meaning they are communists hiding behind the facade of environmentalists, were mentioned to the general. Discua declared that ideological groups opposed to the Armed Forces existed at one time but that they now share the same objectives. "That is why we have to continue to advance without stirring up issues from the past that could negatively affect the present and the future," he asserted. Unity and positive dialogue prevail now that the cold war is over and the Soviet Union has fallen, Discua stated. We are trying to find points of agreement and peace because the world wants to live in peace and prosperity, he added.

He was asked: Is it no longer a priority to combat the advancement of communism in the country? He replied: "The struggle against communism in Honduras was a mission imposed by a northern nation." He

implied that when that world power's policy on the matter changed, it was also modified in Honduras. Discua added that the new objectives are to protect the environment and to combat drug trafficking.

He was asked what the Armed Forces will do regarding insistent requests that homosexuals be allowed to serve in battalions during their mandatory military service. Discua stated: "This is a very delicate topic and we have to study the matter very carefully."

In regard to the increase in crime, including youth gangs, the Armed Forces commander stated that criminals view police as enemies they must attack. I hope Honduras will not experience what is occurring in other countries where deviant children are destroying each other. "I believe we need to improve our family unit and education, and that churches guide our youth," he said.

He added that police are afraid to act against crime because they have lost the people's trust and do not want to be criticized for alleged human rights abuses.

Nicaragua

Government 'Pleased' With UNO Decision To Start Dialogue

PA1406181793 Managua Sistema Nacional de Television Network in Spanish 0230 GMT 11 Jun 93

[Report by Vilma Estrada]

[Text] Presidency Spokesman Danilo Lacayo has read a letter sent to the cabinet by the National Opposition Union [UNO] and expressed the government's satisfaction with its decision.

[Begin Lacayo recording] I am pleased to announce that there will be a meeting at 1000 on 12 June at UNO headquarters. The government is very pleased with this invitation. We will attend the meeting because we believe it will help create a favorable climate for the dialogue we are promoting in our country. This is another step taken by the government, consonant with the policy of reconciliation and dialogue. We are very satisfied with the UNO decision to join the path of dialogue and reconciliation. [end recording]

The cabinet members who will attend the meeting will be led by Presidency Minister Antonio Lacayo.

Presidency Minister Discusses Meeting With UNO Political Council

PA1506021993 Managua BARRICADA in Spanish 13 Jun 93 pp 1, 14

[Report by Roberto Larios]

[Text] The cabinet of the government of President Violeta Chamorro and the UNO [National Opposition Union] Political Council on 12 June took the first step to

ease their strained relations. After a long "behind closed-doors meeting," they jointly announced their decision "to overcome differences" and "seek agreements" for the stabilization of the country.

"There are more things that unite us than there are things that separate us," Presidency Minister Antonio Lacayo told reporters following a nearly six-hour meeting in the so-called Large House [La Casona] of the UNO Political Council, located in Bolonia.

Adolfo Jarquin, speaking on behalf of UNO, made a similar statement a few minutes later. He announced the possible "agreement" of President Chamorro "with the parties that brought her to power."

Both parties committed themselves to reactivating the bilateral UNO-Executive Branch Commission and they will inform the government on 17 June if they will return to the different "tables" at the national dialogue, in which they themselves have refused to participate.

Although applause was heard several times within the Large House, very few details of the meeting were known. The meeting began at 1030 and ended at 1700.

Dr. Miriam Arguello told BARRICADA that besides discussing specific issues, there was "an exchange of views on attitudes that both parties have developed over the last three years, which at times have not been very positive."

The "behind closed-door meeting" took place in a militarized environment. National Police units guarded every corner around the Large House, causing fear among reporters, who still commented on the beating that some colleagues took last week when they covered the incidents of the customs workers strike.

Inside the building, civilians dressed in white sports shirts [guayaberas], armed with guns and walkie-talkies [preceding word in English], prevented access to the room where the meeting was taking place.

The absence of UNO Coordinator Arnoldo Aleman, [Vice President] Dr. Virgilio Godoy, and Engineer Alfredo Cesar from the meeting was noticeable.

Dr. Arguello and Conservative Party leader Roger Mendieta were annoyed by BARRICADA asking if the absence of the so-called "three big guys" minimized the importance of the results of the meeting. They replied that "there are no big guys" within the UNO, but party leaders with equal authority.

On this note, Adolfo Jarquin explained that Dr. Godoy could not attend the meeting because he was attending "a meeting of his party, the Independent Liberal Party in Miami," Aleman was attending a Liberal Constitutionalist Party convention, and Cesar was traveling abroad.

The ministers and politicians agreed to hold a similar meeting within three weeks, which, according to Antonio

Lacayo, will be held "in a pleasant atmosphere, outside of the normal working days."

Some of that "pleasant atmosphere" could be felt in the 12 June meeting, where plenty of hors d'oeuvres, caramels, chocolates, and even some "drinks" of extra dry liquor were served.

OAS Extends Mandate of CIAV for 2 Years

PA1506004693 Managua LA PRENSA in Spanish
13 Jun 93 p 16

[Report by Denis Garcia Salinas]

[Excerpt] The OAS extended for two more years the presence and activities of the International Commission of Support and Verification (CIAV), which helps the demobilized contras, who fought the Sandinist regime in the past decade, return to civilian society.

At the request of Nicaragua, OAS Secretary General Joao Baena Soares decided to extend the CIAV's mandate in recognition of the commission's work. The Sandinists have accused the CIAV of adopting a position in favor of the former "freedom fighters," as former U.S. President Ronald Reagan called the contras.

Reagan, who supported, trained, and financed the now disbanded contras, said during those hard times: "I am also a contra."

The resolution, sponsored by 26 OAS member countries, asked the members of the commission and the permanent observer countries to continue to help Nicaragua recover from the consequences of the previous conflict and to cooperate in the consolidation of its institutions, as requested by Nicaragua. [passage omitted]

Army Dismantles Another Arms Stockpile in Managua

PA1406150093 Managua Radio Nicaragua Network in Spanish 1100 GMT 14 Jun 93

[Text] Nicaraguan Army experts over the 12 June weekend cautiously dismantled yet another clandestine arms cache that terrorists of the now defunct Salvadoran guerrillas had set up in Managua's Waspan neighborhood. The cache contained RPG-7's, 62-mm mortar shells, and several Claymore mines, all of which would have resulted in a slaughter similar to or worse than the one in Santa Rosa neighborhood if it had exploded.

Such caches were built during the Sandinist government, which was always sympathetic toward the Salvadoran guerrillas.

*** UCA Draft 'Farmer Program' Detailed**

93CA0130A Managua EL NUEVO DIARIO in Spanish
11, 12 May 93

[Article in two installments on University of Central America farm program]

[11 May p 4]

[Text] The NITLAPAN-UCA [University of Central America] socioeconomic research center has drafted a program for economic recovery, environmental protection, and the promotion of private enterprise, aimed primarily at Nicaragua's farmers [finqueros].

The cost of the program is calculated at \$96.5 million. It would benefit 1 million Nicaraguan citizens. The complete proposal may be read in the next issue of the journal ENVIO, No. 138, May 1993.

Times of Plenty and Hard Times

During the 1960's and 1970's a large number of farmers benefited from a climate favorable to coffee and livestock production. Those were times of accelerated agricultural expansion supported by public investment. In addition, in those years the state bank had a rural credit program that reached 23,000 clients.

Sandinism's development policies favored state production and backed agricultural production collectives created through the agrarian reform's land distribution process. The farmers were marginalized both socially and economically under Sandinist policies. For that reason, they served as leaders in the anti-Sandinist campesino movement, primarily in the interior, and many of them became Contra leaders. The territories where their farms were located were the sites of fierce combats, and their lands and their families suffered great social and material devastation during the war.

From Bad to Worse

During the 1970's the farmers had begun an accelerated process of organizing cooperative enterprises that provided agricultural services in major cotton, coffee, and livestock-producing areas. The key to those cooperatives was adapting to local potential and offering agricultural services that every farmer could not afford individually. This valuable experience was being lost under Sandinism. The majority of these local agricultural service cooperatives were hurt by the nationalization of commerce, by the centralization of credit, and by the Sandinist government's isolation of this type of local autonomous organization.

But the change in government did not improve things. After 1989 calamities increased, which the new government's structural adjustment policies accentuated. There were more credit restrictions, depression of prices of agricultural products, deactivation of a large part of the infrastructure in areas hurt by the war, and the breakup

of the public commercial and financial system, with a weak attempt by the private sector to pick up the slack.

A Difficult Transition

The farmers' sector was potentially expanded through the land redistribution program during the 1980's. But the allocation of land by Sandinism in the form of collective properties, organized with methods that left little room for autonomy on the part of the land recipients in deciding how to work those lands, brought about a crisis and led to a slow and stealthy process of land parceling, which was undertaken by the very campesinos who had developed the program up to 1990. This process openly accelerated after the change in government.

But the practices of a land recipient are not the same as those of a farmer. A person who receives land tends to engage in extensive agricultural practices, taking few risks because of lack of security, while a farmer keeps his sights fixed on the long term. The transition from land recipient to farmer depends on the new owner achieving security through the possession of an individual private property deed, and having sufficient basic material resources to enable him to settle on his farm. About 30,000 families are now engaged in the difficult process of consolidating their transition from land recipients to farmers.

Agents for Change

During the last 40 to 50 years, farmers' families experienced dynamic economic growth, based on the cultivation of tropical rain forest lands using nonintensive production methods of grains, coffee, and livestock raising. But this production system is no longer sustainable, both because of the declining profits of those products and because of the damage their production causes the environment.

New and potential lines of exportable agricultural products, products to which the farmers could make a major contribution, are linked to the totality of production and the organization of many small territories, unlike what happens with traditional export products: coffee, sugarcane, cotton, and meat. This situation and the effective management experience of the farmers on a local scale makes them potential agents for change in promoting the agricultural innovations that Nicaragua needs.

[12 May p 4]

[Text] The NITLAPAN-UCA socioeconomic research center has drafted a program for economic recovery, environmental protection, and the promotion of private enterprise, aimed primarily at Nicaragua's farmers.

For the purposes of promoting national dialogue, we are presenting below seven closely interrelated projects that could reactivate the national economy by revitalizing the farmers' sector. The cost of the program is calculated at \$96.5 million. It would benefit 1 million Nicaraguan

citizens. The complete proposal may be read in the next issue of the journal ENVIO, No. 138, May 1993.

The package of projects in this "Farmer Program" is a coordinated development action in which the state would act as promoter and facilitator. It is intended to offer farmers clear signals of the rules of the game and of the opportunities for their business development as part of the national reconstruction process.

The program is designed to promote production and the entrepreneurial renovation of the farmers, leading to their short-term reactivation and their productive and organizational restructuring in the mid-term period. Because of the resources that the farmers themselves would contribute, this is an economic growth, not a social compensation program.

This program's macroeconomic effect will have a positive impact on the current trends of the balance of trade. In the short term, the farmers would produce more exportable goods than consumer goods or imported resources than they would consume. They would become sources of foreign currency for Nicaragua. The "Farmer Program" would promote national agricultural production and would strengthen private initiative in Nicaragua's economic recovery process.

1. New Products

Slowing down the spread of agricultural lands into the strategic tropical rain forest lands depends to a great extent on creating opportunities for more intensive agricultural product lines than the extensive patterns of livestock breeding practiced during the last 50 years.

Thirty thousand farmers offer great potential as a labor force with production experience for incorporating commercial plant products and more intensive patterns of livestock breeding on low altitude lands. They have done so successfully with the production of coffee on agricultural lands located 400 meters above sea level.

The farmers now produce plant species intended for the domestic market that should have very good opportunities in the world market. What is missing are institutional efforts to investigate outlets for these products in Latin American markets, within the Mexican-U.S.-Canadian TLC [Free Trade Agreement] area, and in Europe. Efforts are needed to seek out investment possibilities among groups of farmers and commercial production enterprises for these new products.

Opportunities in foreign markets need to be identified for product lines that could be produced by Nicaraguan farmers' production systems and global strategies should be designed that are suitable for these product lines: technology, tax and financial policies, public investment, commercial associations with foreign capital, etc. It is estimated that a team of 15 Nicaraguan experts would have the capability to do this research, which could open

up outlets for economic recovery and environmental protection. (During its first year, the project's cost is estimated at \$2.2 million.)

2. Improved Infrastructure

The territories in which farmers' production predominates are the very same areas that were most hurt by destruction during the war. The farms in these areas are in a very slow process of reactivation of their traditional systems for producing coffee, livestock, or cacao. The network of the major roads in the interior of the country needs to be rehabilitated, rather than building new roads that would lead to an expansion of farming areas. Moreover, the new products require a specialized infrastructure: storage and preservation, transport, etc.

This project is also designed to keep farmers on their farms and create the material conditions that will encourage 20,000 families of new farmers to live on the lands which they have been given. Organizing banks of construction materials on a municipal level will help in this effort, as will building a basic social infrastructure (to provide water, electricity, schools, and health centers) in places where families are moving to live on their farms. (The estimated cost for the first year of the project: \$40.6 million.)

3. Local Banks

Since 1989 the farmers have been hampered by tighter credit restrictions. The depletion of their family savings, which are growing more and more fragile or only recovering very slowly, is a very common situation.

The new private banks that are operating in Managua are not financing the farmers' agricultural and livestock production, and the government's rural credit programs have been cut by 75 percent.

First, we need to increase the availability of credit to farmers. And second, to organize local banks that provide financial services (savings, credit, and other agricultural services) to farming enterprises. This could be a major economic innovation. There is now national experience with local campesino banks, and they could be expanded. (The cost of the first year of this program is calculated at \$43.6 million.)

4. Land Titles

About 30,000 families of potential new farmers who were recently awarded land are facing a difficult situation of insecurity.

Receiving individual land property deeds is a necessary precondition if these families are to decide to invest their labor (digging wells, planting trees), to venture out and try new crops, and to stay and live on the farm. Individual land titles would also encourage them to seek ways to take part in agrarian cooperation programs with other farmers. Individual land property titles would help these new farmers to adjust to current institutional and market conditions.

There will also be an immediate positive ecological effect from these measures: possession of an individual property deed will encourage the installation around the boundaries of the farms of windbreaks planted with local trees, which will help to reforest the land. (The estimated cost of the project during the first year: \$1.4 million.)

5. Local Farmers Associations

Farmers are not sufficiently well organized on a local level. This impedes their opportunities for communication and working with the state, and limits any potential commercial negotiations with other economic sectors. Without this local producers-national organization's link, the potential of private initiative will not be fully tapped.

Technical and promotional support needs to be given to local farmers associations, which are the groups that manage local agricultural development. The essential factor in this innovation is to open up spaces with these associations for local development proposals formulated in a decentralized manner. It has been estimated that 105 of these associations could be formed, with a membership of 25,000 farmers in 35 municipalities where farming is an important activity. (The cost for the first year: \$1.5 million.)

6. Forest Preservation

With the pacification process in Nicaragua, the expansion of agriculture has resumed, which means deforestation and devastation for our woodlands. The estimated rate of deforestation in the last two years is 125,000 to 150,000 hectares a year. Despite the still large amount of woodlands in Nicaragua—about 4,282 million hectares—the situation is critical. At the present time the most typical trend is pressure on the two main national forest preserves (Indio-Maiz in the south and Bosawas in the north), territories which are not easy to monitor.

We must preserve these two forest areas and also conserve the areas that have been settled during the past 10 to 20 years by campesinos coming from the central plateaus of the country, where there are still large woods remaining. There is also a third territory that needs to be preserved: the pine forests in the north Atlantic area, which have great economic and ecological potential.

Providing effective protection (forest wardens, making the population aware of the problem, controlling forest fires, etc.), monitoring the advance of agriculture both by land and by satellite, offering specific subsidies earmarked to keep campesinos from cutting down trees, supporting nonlogging forestry operations, etc., would be key elements in this project.

As many as 15,000 families of poor campesinos and mestizos located in the agricultural areas and 10,000 indigenous families (Sumo and Miskito Indians) located near the broad-leaf or pine woods could benefit from this program. (Its cost during the first year is estimated at \$6 million.)

7. University Extension Programs

New agricultural products and technologies are not possible unless farmers have the power of information and knowledge.

Technical training of the children of farmers involved in production, of mid-level technicians seeking to upgrade their job skills, of farmers with basic training levels, etc., is a key element in the success of this reactivation program.

Most countries with developed agrarian systems have made use of instructors with experience in training people from farm families, implementing decentralized training systems that are appropriate for the local technical and institutional situation. This is also possible in Nicaragua, and it is necessary to do this. (The estimated cost of the first year of the project is \$1.65 million.)

* Need for New Drug Law, Definition of DEA Role

93WD0601Z Managua BARRICADA in Spanish
4 May 93 p 11

[Editorial: "The DEA [Drug Enforcement Administration] and a Drug Control Law]

[Text] Just as alarming as the growing problem of drug trafficking and consumption in our country is the public's ignorance about this problem.

It is estimated that some 13,000 kilos of cocaine come across our borders each year, and that the country loses about \$25 million on seafood sales and purchase transactions carried out by the drug traffickers on the Nicaraguan Atlantic coast.

Meanwhile, the country remains legally defenseless. The material resources and legal instruments available to the police for dealing with drug trafficking are insufficient.

Our drug laws are anachronistic and out of touch with reality; they are extremely benevolent in the way they define crimes and prescribe sentences, compared to the legislation of other Latin American countries.

Two antidrug bills designed to modernize current legislation, one drafted by the Sandinist National Liberation Front (FSLN) and the other by the Interior Ministry with the advice of the Organization of American States (OAS), are languishing in various government offices awaiting passage by the National Assembly.

The discussion and passage of an antidrug law that is commensurate with the growth and complexity of the drug traffic (distribution and transportation of drugs and money laundering) is not only an urgent priority, but should also help forge a consensus among all the parties in the current session of the National Assembly. That is the least we can ask of our deputies.

The other side of the coin is the government's obligation to define state policies to govern its relations with the most powerful antidrug police force in the world, the U.S. Drug Enforcement Administration (DEA). An investigative story published by BARRICADA last week revealed that the DEA is operating clandestinely in our country, most of the time without the knowledge of national authorities.

We must inevitably deal with the DEA in our effort to combat drug trafficking. But the controversial role it has played in several Latin American countries—as an instrument of political pressure—should show us how important it is to be open and firm in establishing the terms of the relationship between our National Police and this American entity.

In this connection, respect for national sovereignty, the explicit and total recognition of the powers of the National Police and our judicial system, and adherence to the laws of this country are sine qua non conditions.

The DEA matter merits special attention because this law enforcement agency depends on the policy dictated by the U.S. Department of State, which uses the drug trafficking issue as a weapon to exert political pressure at will. And as the lamentable precedent of the diplomat William Tapia shows, this government is not known for standing up to U.S. pressure.

The government's position on the DEA, if it has one, should not, therefore, be a state secret; it should be a subject of public debate. In this way, we will be able to join forces to spare our country future involvement in unfortunate incidents that threaten its sovereignty.

Panama

Minister Defends Asylum for Former Guatemalan President

PA1506042793 Panama City ACAN in Spanish 2019
GMT 14 Jun 93

[Text] Panama City, 14 Jun (ACAN-EFE)—The Panamanian Government defended the asylum granted to former Guatemalan President Jorge Serrano Elias, who has been living in Panama since 6 June, and believes this situation will not adversely affect relations between the two countries, Panamanian Foreign Minister Julio Linares said on 14 June.

The Panamanian foreign minister defended his government's decision to receive the deposed Guatemalan president saying that for President Guillermo Endara's administration, Serrano's situation "is clearly a typical case of political asylum."

Linares said that "as long as Guatemala does not request his extradition and does not list the common crimes for which he is being tried or will be tried, the former Guatemalan president has every right to receive political asylum from the Panamanian Government."

"We are talking about a president who has been overthrown. This is something no one can deny. In his country, there is great hostility toward him in all sectors precisely because of the measures he took to repeal the Constitution, as well as dissolve Congress and the Supreme Court," Linares said.

The Panamanian foreign minister also talked about the statements made by Guatemalan Attorney General Edgar Tuna Valladares, who criticized the decisions of Panama and Costa Rica to grant asylum to Serrano and his vice president, Gustavo Espina, respectively, because by doing so, he said, "they are protecting criminals."

The Panamanian foreign minister said Tuna Valladares' statements are "extemporaneous" because Guatemala has not asked for Serrano's extradition, he said.

"I would tell him (the Guatemalan attorney general): Forgive him, Lord, for he does not know what he is saying," Linares said.

Asked if relations between the two countries could be adversely affected following Tuna Valladares' statements, Linares said: "I do not think so. Relations do not have to be adversely affected, and besides, the Guatemalan Attorney General's Office is not an international relations body."

In addition, Linares said Panama has not signed an extradition treaty with Guatemala. "But this does not mean an extradition cannot take place because," he said, quoting one of his texts on international law, "if conditions are given, all states have the duty to contribute to the fight against crime."

In this regard, Linares said: "We are not going to store away (any possible request) for the extradition of former President Serrano. Guatemala will have a very honest response" regarding this, he said.

Asked if he knew about the arrival of former Serrano officials in Panama, Linares said "he knew nothing" about this and said the former president, his wife, and five children, as well as former Government Minister Francisco Perdomo, have been in Panama since 6 June. Serrano, his family, and Perdomo are staying on the 14th floor of the presidential suite, at the Marriott Hotel in Panama City, one of the most exclusive hotels in Central America.

Foreign Minister on Changes to Canal Law 96-70

PA1406141393 Panama City LA PRENSA in Spanish
13 Jun 93 p 4

[Article by Orlando Mendieta C.]

[Text] Foreign Minister Julio Linares has said that he is in favor of the U.S. Congress making important changes to Law 96-70, better known as the Panama Canal Law. The changes would establish a transition process that promotes continuity and efficiency in managing the waterway.

According to Linares, some points in the current law hinder the process of transition of the waterway to Panamanian hands.

The foreign minister believes that it is necessary for the binational commissions established in the Panama Canal Treaties and the Panamanian executives on the Panama Canal Commission [PCC] to participate in drafting a study on the PCC's fiscal, operational, and managerial structures that, according to the law, the U.S. comptroller should present to Congress.

According to the Panamanian official, in addition to the valuable contribution the Panamanian officials may offer, it is necessary to prepare for the day when Panama must take over the operation and management of the canal, scheduled for December 1999.

In its 1993 Budget Law, the U.S. Congress made changes to Law 96-70.

Court Says Customs Director 'Overstepped' Authority

PA1406184493 Panama City LA ESTRELLA DE PANAMA in Spanish 14 Jun 93 p A1

[Article by Emilio Sinclair]

[Text] The Supreme Court of Justice has ruled that Customs Director Rodrigo Arosemena overstepped his authority when he meddled in matters that did not concern him.

In a ruling issued recently, the Supreme Court of Justice stated that Rodrigo Arosemena illegally detained Julio Zenon Blanco for drug trafficking when he was not authorized to do so. According to the ruling, only the Prosecutor General's Office is authorized to make such a decision.

A source asked by LA ESTRELLA DE PANAMA said: "Arosemena tried to get Julio Zenon Blanco to face trial twice, once for charges presented by the Prosecutor's Office and the other time for charges presented by the Customs Directorate."

It was also learned that "the ruling, in addition to declaring Blanco's arrest illegal, clearly states that the Customs Directorate is only authorized to handle crimes involving customs and that drug related crimes are not customs related crimes, and therefore must be investigated by the Prosecutor General's Office and handled by the courts."

PTJ Source Cited on Drug Trafficking Network

PA1406200293 Panama City LA PRENSA in Spanish
14 Jun 93, p 1 A

[Text] A Judicial Technical Police (PTJ) source has reported that most of the drugs entering Panama arrive through routes in Darien Province and Chepo district.

Drug traffickers maintain an "operations center" in a house in the Chanis neighborhood of Panama City.

In Chepo a person named Barrios reportedly coordinates with Colombians to bring drugs into Panama. This task is easy because PTJ officials provide protection, said the informer, who asked to remain anonymous.

He added that this person has been given a license to bear firearms and combines his drug trafficking activities with stolen car trafficking to Central America.

PTJ members protect and drive the cars from Panama to Paso Canoas, he explained.

The illegal activities carried out in Chepo are coordinated from the Chanis neighborhood, where a house serves as an "operations center," where calls and messages regarding the trafficking are received, he said.

The source added, without identifying those involved, that a project is being coordinated to refuel the airplanes that fly drugs from Colombia to the United States. Costa Rica and Nicaragua are also used for this purpose.

The PTJ informer said, without going into details, that another activity coordinated from the Chanis house is the entry of drug money into the Colon Free Zone.

The drug traffickers' contact in Nicaragua is a Panamanian named Guzman, a former member of the now disbanded Panama Defense Forces, who travels with Nicaraguan and Mexican passports, he explained.

According to the report, a member of the Nicaraguan Army known as Caldero and a Nicaraguan businessman known as Romero participate in the network.

Regarding the car thefts, the source said the operations center is located in a house in the Tinajitas area of Panama City, and that Panamanians, Nicaraguans, Colombians, and a Dominican linked to a high-ranking Dominican Customs Department chief participate in the network.

The source asserted that the gang's most ambitious project is the acquisition of a ranch near Costa Rica's national park, bordering Nicaragua, to refuel planes that fly in from Colombia with drugs on their way to the United States.

Argentina

Discovery of Condor Missile Launching Trucks Denied

PY1406160693 Buenos Aires TELAM in Spanish 1401 GMT 13 Jun 93

[Text] Cordoba, 13 Jun (TELAM)—Police Superintendent Jorge Cabot, chief of police regional unit 3, has denied having any information about the discovery of two trucks fitted specially for launching Condor missiles in a field near the Falda del Carmen plant where the Argentine missile project was developed, 225 km from this capital.

Cabot, whose remarks were published today by the morning newspaper LA VOZ DEL INTERIOR, denied a report published yesterday by a Buenos Aires morning newspaper which said that two missile-launching trucks were in a storehouse next to an abandoned house in a field next to the plant.

Cabot said that there are three storehouses for cattle feed in the vicinity of the military aeronautical facilities, and that the storehouses are closed because the enterprise that owns them has gone bankrupt and they have been seized by creditor banks.

Explaining that in Alta Gracia, the department's capital, there is no information on the discovery of two missile-launching trucks, he noting that in addition to the three cattle feed storehouses there are brick manufacturing facilities and an abandoned school in the area.

Coast Guard Seizes South Korean Fishing Vessel

PY1406152293 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0540 GMT 14 Jun 93

[Text] Mar del Plata, 13 Jun (NA)—A Korean-flagged fishing vessel was captured by a Coast Guard patrol today. The foreign ship was operating within Argentine jurisdictional waters and was taken to this city's port.

It was reported officially that the Korean ship is the "Don Won 517" measuring 58 meters in length and 10 meters in breadth, and that the Coast Guard found 150 tonnes of processed squid in the hold and fish remains on deck.

Personnel from the Thompson patrol boat ordered the fishing ship to stop, but the foreign ship immediately turned off its lights and tried to escape. In the end, however, the Korean ship captain relented and obeyed Coast Guard orders.

As of midnight the oriental ship was being conducted to port. Tomorrow port officials will seize the cargo and file the corresponding charges for operating within Argentine jurisdictional waters without appropriate authorization from Argentine authorities.

The trawler was found 194.41 nautical miles off the coast of the Quequen Port breakwaters, or at 41 degrees 46

minutes 34 seconds latitude south and 57 degrees 42 minutes 30 seconds longitude west.

Peronists Focus on Menem's Reelection

PY1206013693 Buenos Aires BUENOS AIRES HERALD in English 11 Jun 93 p 11

[From the "Argentina in Brief" Column]

[Text] (DYN-NA)—While the Justicialist Party completed its primary election in Buenos Aires Province just last Sunday, numerous Peronist officials focused their attention yesterday on the 1994 presidential race and the possibility of reforming the nation's Constitution in time to allow current head of state Carlos Menem to run for a second consecutive term in office.

Senate Provisional President Eduardo Menem, who is serving as acting president while his brother is in Geneva at the International Labour Organization annual assembly, predicted yesterday that if re-election is allowed the current head of state "will win by a wider margin than in 1989."

In comments to ATC [Argentina Televisora Color] state television's breakfast show La Manana, Senator Menem cited as proof of his stand the fact that "recent surveys" indicated that "60 percent to 70 percent of the public" favors both constitutional reform and presidential reelection. In fact, he attributed the existence of opponents re-election to the fact that his brother would be likely to win again.

Turning to these rivals the senator asked, "Would you have denied the Spanish people the possibility of voting again for (Prime Minister) Felipe Gonzalez?" (Gonzalez was re-elected to a fourth term on Sunday.)

"Many believe that when there is talk of re-election," explained Senator Menem, "it benefits the candidate and don't realize that they have to see it as giving greater possibility to the citizen to vote for whom he or she wants."

Legal Secretary Carlos Corach meanwhile predicted "a resounding victory (for the Justicialist Party) in the October elections" but pointed out that those results "are not a text to reform the Constitution given that it is an eminently partisan election where candidates are elected to legislative bodies."

Regarding a survey conducted by polling firm CEOP in which only 30 percent of those questioned said they would grant Menem another term Corach said he did not believe that meant a majority of Argentines were opposed to re-election because the presidential vote is two years away.

Also expressing support for the concept of re-election yesterday were Buenos Aires Governor Eduardo Duhalde—who said in an interview appearing in a Federal Capital daily that his party must win the spring elections by a margin "not much lower than that of

1989" in order to achieve reform—and Santa Fe Governor Carlos Reutemann. The latter vowed in interviews with local news agencies yesterday that the Santa Fe Justicialist Party "will stake its bets on the re-election of Carlos Menem."

Meanwhile, 1995 presidential hopeful Senator Jose Octavio Bordon (Mendoza) promised after meeting with Duhalde yesterday that he would put "no obstacles in the way of" Menem's desire to run for a second term. However, he added that "the consensus of the people" for re-election was less than that of the current head of state's interest in returning to head the government.

Brazil

President Franco Opens Cabinet Meeting

PY1406195293 Rio de Janeiro TVE Television in Portuguese 1613 GMT 14 Jun 93

[Speech by President Itamar Franco opening a cabinet meeting at Planalto Palace in Brasilia; monitored in progress—live]

[Text] ...The national Congress and the judicial branch will show the country and its people their idea of the necessary contribution to austerity. We have taken important steps to correct the economic situation. The measures and initiatives we implemented have produced a significant interest rate drop and a very important industrial production and employment increase. Governments like to be what society wants them to be. Society elects its representatives and exerts influence and pressures on them. These influences and pressures reflect the way our community functions. Quite often the most influential lobbies, and the lobbies of society's most influential institutions, enjoy relative well-being, if not excessive well-being, without realizing the dangers involved when the income for a job jointly done is divided unjustly, leaving working men and women, who are the majority of the population, defenseless.

Our responsibility is to act on behalf of the people. This responsibility is even more demanding for those of us in power. We must understand that the people are our nation as a whole. The government must work in everyone's favor. The government exists for the people, not the people for the government.

Banks, industrial companies, agriculture producers, and commerce exist to serve society, not the other way around, as some people perhaps suppose.

You can imagine how a chief and head of state feels in confronting these alienated joint entrepreneurial elites when he has a commitment to the people, the nation, and history. These elites repeatedly have said the president was weak because he was loyal to democracy and did not use force to benefit the strong. They will talk against the president even if he does the right things and picks his

advisers well. It is natural for a chief of state to show impatience when facing these elites' insensitivity, be they old or new ones.

Ministers, 60 years ago a nation that was then the proudest nation in the world appeared to agonize. During the first decades of the century the United States had multiplied its industrial production, making the benefits of discoveries and inventions—such as electric energy and telephone services—accessible to the people. The country enlarged its universities and decided the world's destiny with its military power. But it suddenly suffered a catastrophe. In a few days company shares fell so much that they were not even worth the paper they were printed on. Banks closed their doors and a quarter of all U.S. citizens lost their jobs. Why? Five percent of the U.S. population controlled a third of the national wealth. It is not necessary to mention our figures. You know them.

We should be ashamed of the position we occupy regarding the distribution of well-being, and well-being is dignity. You know the solution as well. President Franklin Roosevelt was elected in 1932 and immediately called on people's initiative and launched an audacious program known as the New Deal. He was able to get the economy moving again. He strengthened the country and prepared it for the new war he knew was unavoidable.

Let us understand that fortunes accumulated through financial speculation are false. No one who is physically and intellectually healthy can live a dignified life from income produced by capital invested in public bonds. The profits of companies are not honest when they are the result of using what is available in cash and not the result of productive social activities. Before giving you a chance to say anything, I want to show you some scenes from the United States filmed during those terrible years of the Depression. Many of those scenes are common in large Brazilian cities.

We should learn from these examples. It was enough for U.S. society to work hard to stand up again. It soon regained its previous stature. This is what we will do. Brazilians do not lack intelligence, dignity, or patriotism. We are a generous and strong people. We will not allow the privileges of a minority to prevent us from lifting our heads and looking the world in its eyes. This mobilization is not possible without great faith. Just think, the Amazon region alone is as large as 32 European nations and 55 percent of the U.S.' territory. Just think, one-third of the world's tropical forest and the largest freshwater basin in the world are located here.

Ministers, ladies and gentlemen, I have just said at the top war school that our faith is not romantic or rhetorical, for our faith represents the certainty that working together we can widen the path toward the third millennium. Thank you.

Finance Minister Addresses Nation

PY1506005093 Rio de Janeiro Rede Globo Television in Portuguese 2327 GMT 14 Jun 93

[Address by Finance and Economy Minister Fernando Henrique Cardoso in Brasilia; date not given—live or recorded]

[Text] Good evening. I want to hold a frank conversation with you Brazilians about the country, our future, our children, and our grandchildren. The country is used to watching its finance ministers on television making promises, announcing magical economic plans, and selling you salvation projects. Whoever expects something of this kind from me will be frustrated. Here, speaking with you, face to face, there is no superman, just a Brazilian citizen, minister of state. I am not here, I repeat, to make promises or to sell you illusions. One cannot carelessly play with the needs, hopes, and dreams of a people.

I have come here with the truth, a harsh but necessary truth. Inflation will not end from one day to the next with a blow or a bullet, or with a mysterious magical act. The Finance Ministry today adopted a set of measures that will help place Brazil on the right track. Inflation will end, but with a serious, systematic, and continuous effort.

We all feel that our country is on the verge of a great transformation. After years of recession, Brazil is beginning to grow. Exports are about to hit \$40 billion. National reserves surpass \$20 billion. Overall, our economy is ready to take off, adjusted to the challenges of the world. These are good signals, which will become optimal only when we gain the capacity of transforming them into concrete benefits for our people.

We all know that our two main problems currently are inflation and misery. One is connected to the other. The two are connected with the manner in which the government has spent its money so far. The Itamar administration has placed Brazil on the track of decency. Now we must place the country on the track of truth.

Let us speak clearly: There are people who want money that is not available from the government. There are people wasting money. There are people who want an illusionary budget. With the total support and trust of President Itamar Franco, we currently are cutting expenses. We will not allow lack of discipline in federal government expenses. The finance minister will clearly and truthfully say how much money there is available to spend, and each minister in each ministry, according to the Itamar Franco administration's priorities, will decide what to spend, when and where to execute the allocation he receives.

The government has the support of Congress, which will have to adjust the budget to our national reality. It is necessary to spend less, and the challenge is to spend in a better manner, with responsibility, not overlooking the

needs of the people. This will help defeat inflation with certainty, day by day, month by month, in each document signed, every time funds are released.

In this moment of truth, Brazilians must be aware that the government represents not only the federal government, but also the state and municipal governments. Governors and mayors also must make an effort. They will have to discipline their expenses; they will have to assume their responsibilities. You must understand this well; it is not I who needs this but that the country needs it; all of us need it. The Brazilians of the future will demand it from us if we do not do our part.

Government also means legislative justice. Deputies and senators will have to help implement the Truth Plan [Plano Verdade]. The federal government depends on them to execute a feasible budget and maintain clear accounts. From now on we will no longer allow what has been happening until now. Some states collected money, spent it, and did not pay their debts. Right now, states and municipalities owe the federal government \$40 billion. This has ended. We will ask the governors and mayors to pay their debts. We count on their support. We are sure they understand the current national needs. We also count on the support of Congress, which must approve the laws necessary for these new times.

We also are beginning a war against tax evaders. For each cruzeiro of tax paid by Brazilians today, there is another cruzeiro stolen from the nation by tax evaders. We are going after them and, if necessary, we will send people to jail. Why not! The law is to be followed. But to have the law respected, we need the judicial branch's help, and we count on it.

With the excuse of not being in agreement with taxes, many people have resorted to the courts. Today there are billions of dollars of taxes that cannot be used because they are being contested.

There are hospitals closing their doors. There are Brazilians waiting in line. There are highways that need to be repaired, and the government cannot use that money. I want to make a double appeal: to the courts to liberate the money, and to the businessmen to give up their actions.

Let us all help Brazil. Let us be conscientious. Today we have an interest rate lower than a few months ago. But we need to reduce it even more. Lower interest means more possibilities for investment, development, and progress. By cutting its expenditures, the ministry has adopted measures to reduce interest rates. The banks also must do their part, expanding the government financial periods.

I also want to announce that we are going to accelerate the state companies' privatization process. In a 10-year period the federal government spent \$21 billion to cover the damage caused by only those companies that are for sale. The Treasury has no more resources to waste. That

money must be spent on health, education, food production, in fighting hunger and misery, and in the creation of more job opportunities. And the money we have will be spent in those areas. You can rest assured of it.

President Itamar Franco's government is putting an end to the financial and administrative disorder in the public area. Our reconstruction must have solid bases to return the dignity of their roles to all employees, to pay them better. And the businessmen, the worker, and the middle class will have their profit and the guarantee of their jobs free of the action of this hidden assassin called inflation.

We are going to do this with stability and consistency, without packages, and without arbitrariness, but respecting the law. The people need employment, food, and work; and to guarantee dignity to the people, the government is beginning a new stage today. But it cannot and must not begin alone. So we must begin now, but together.

The government needs allies. I need allies. Brazil needs allies. I call all allies of Brazil to this fight. And I want to repeat it: This is a serious struggle, a long battle that will not be won with magic, tricks, illusions. But we will overcome it by remaining united, with the strength of our arms and with truth in our hearts.

Health Minister Concerned About Anti-AIDS Tests

PY1106140193 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 11 Jun 93

[Text] Health Minister Jamil Haddad has stated that he is very much concerned about the World Health Organization decision to choose Brazil as one of countries to be used for tests of experimental vaccines against AIDS.

He said he is surprised by this decision, and added that the Brazilian population cannot be used as guinea pigs.

*** Solutions to Inertia of Franco Government Viewed**

93SM0290A Sao Paulo VEJA in Portuguese 19 May 93 pp 20-23

[Unattributed article: "The Crisis is Bigger Than the President"]

[Text] *The majority believes Itamar is only making the country's situation worse, but the solution rests with the politicians.*

After keeping the country on tenterhooks for 10 days, last Wednesday President Itamar Franco ended yet another of the cyclical crises that have characterized his administration. This time the crisis went by the name of Eliseu Resende, whose relations with his former employer, construction giant Norberto Odebrecht, sullied his term as finance minister. Previously, the crisis bore other names: prescription medicine prices, scoldings of ministers, high interest rates, the Central Bank,

and the profits rung up by the financial system. All were problems to which the president gave absolute priority, raised an enormous fuss about—and then abandoned without warning, leaving them in exactly the same shape as before. In its most recent incarnation, the crisis was resolved in the worst possible way. Itamar managed to inflate his administration's crisis. Before, the administration had a finance minister who was under suspicion. Now it has a finance minister who is under suspicion, whose credibility with the public is zero, but is held in high esteem by a president who has become even weaker.

There are crises, and then there are crises. The Eliseu crisis is just one more chapter in the supercrisis known as Itamar Franco, the president engulfed by the hypercrisis that has been eating away at Brazil for more than a decade. That the president's stature would pale in comparison to the monstrous difficulties faced by this country was a foregone conclusion. If Itamar were capable of exercising the office of president to its fullest, he would have headed the slate that brought Fernando Collor to Planalto Palace. That Itamar is helping to exacerbate the hypercrisis is a perception that becomes more widely held with each minicrisis in his administration. In a poll taken by POP-Public Opinion Research, during which 4,592 people in 11 state capitals were interviewed, the majority of respondents felt that, by word and deed, Itamar has helped worsen the situation. Asked: "In your opinion, are President Itamar Franco's behavior and statements contributing to the increase or the diminishing of the crisis this country is experiencing?" Forty-three percent said they were helping to increase it, 27 percent said they had no effect, 21 percent said they were helping diminish it, and 9 percent said they did not know.

This is regrettable. Personally, Itamar Franco is an honorable man, affable, full of good intentions. With his simple ways, he seems much more like a typical Brazilian than Collor, the exhibitionist gone crazy. He does not foster the illusion that he is bringing the country into the First World in a jet-ski race. He wants to do good, to solve problems, but he is simply not doing it. More accurately, he manages to make things worse. "The president is much too anxious," suggested Sao Paulo Deputy Delfim Netto, of the PPR [Progressive Renewal Party]. "Anxiety makes him keep his administration in an uproar and instead of solving problems he ends up creating new ones without solving the old ones." Delfim cited the example of the war against hunger, a key concern of the president: "To fight hunger, we have to start growing again. And to start growing again we have to end inflation. The only way to do that is for the government to cut its spending. By opting to increase spending, the president ends up aggravating the problem of hunger." The congressman predicts a cruel outcome—for Brazil and for Itamar. "He risks going down in history as the president who exacerbated the hunger problem while thinking he was fighting it," Delfim charged.

Monotony

One must not lose sight of the forest for the trees. The hypercrisis involves Itamar, but is not limited to him. "Itamar's performance is irrelevant," was the opinion of former Minister Mario Henrique Simonsen. "Brazil's crisis is the result of erroneous policies, something that dates back to the New Republic and had as its principal consequence the 1988 Constitution." Simonsen pins his hopes on the constitutional revision, scheduled for October, to start getting the country out of the hole. It is a wager, like so many others. The safest bet is that the president will not substantially change the way he governs. "If anyone is waiting for Itamar to do something for Brazil, he had better either change his mind, or change countries," said Senator Gilberto Miranda, of the PMDB [Brazilian Democratic Movement Party], Amazonas State. Common sense recommends we not expect much of the president. At 61, he has reached the age when one's convictions and ways of doing things have crystallized. Almost seven months have passed since he took office, and the characteristics of the government have become evident repeatedly, monotonously: hesitation, a desire to rely on friends rather than the most capable people, insecurity, inefficiency, demagoguery and—basically, a failure to set priorities.

If it is true that the administration will not get much better, the possibility of a turn for the worse certainly exists. "Brazil will not be able to stand the inertia of the Itamar government," says Miro Teixeira. The PDT [Democratic Labor Party] deputy from Rio de Janeiro State notes that the inflation rate is rising every month in exactly the same proportions as the administration is losing credibility, political support, and therefore, the means of reversing the situation. "What would be good for Brazil would be to move up the date of the general elections," he said.

Another idea that is beginning to be bandied about in political circles is negotiating with Itamar Franco to get him to resign, so that after one month in which Deputy Inocencio dos Pocos Oliveira would serve as interim president, Congress could elect a president who would finish out his term with a national unity Cabinet based more on the operational abilities of its members than on party representation. None of this would be easy to pull off. "By changing presidents again, we would sink into a morass," said political scientist Bolivar Lamounier. "The change would go a long way to discrediting the institutions." To Lamounier, pressuring Itamar to resign would be as illegitimate as a coup, made even worse by the results of the April plebiscite in which the voters clearly demonstrated a preference for direct elections over maneuvering by politicians.

No matter how badly politicians are viewed by the public, they are the only hope for overcoming the crisis. Not only is it unfair; it is mistaken to put the blame for the deterioration in living conditions on Itamar Franco. Participating in the government are the biggest Brazilian parties—the PMDB, PFL [Liberal Front Party], PT

[Workers Party], PDT, PSDB [Brazilian Social Democracy Party]—a tossed salad concocted of conservatives, liberals, socialists, centrists, leftists, and friends from Juiz de Fora. All the state governors, except Antonio Carlos Magalhaes of Bahia, either support or are tolerant of the government. Planalto Palace has a majority in the Congress. Strictly speaking, there is no coordinated opposition to Itamar. So, not only are the political leaders responsible for what is happening in the Itamar government, but they must act to exorcise the specter of a rupture in the institutional structure, of social disintegration, of "every man for himself."

Confusion in the minds of political leaders explains their apathy. The Left in Latin America has typically defended three theses: nationalization of foreign companies, reservation of key economic activities to the state, and agrarian reform. That discourse has derailed and the Left, not being able to get it back on track, is not offering any consistent alternative. The Right limits itself to mechanically repeating the creed of liberalism. Hence the eclecticism of the Itamar administration, which zigzags in all directions. There is no majority capable of convincing people that its platform is the correct one and strong enough to impose a coherent program. Agreement appears impossible. Even so, it was precisely via a political accord that most of the countries in Latin America were able to make economic adjustments, conquer inflation, and resume growth.

Trip to Stockholm

First of all, we must make a list of the problems to be attacked. It is ridiculous to think we can end hunger and misery, rehabilitate public services, and resume growth overnight. But the route to all these passes through the biggest problem of all—superinflation. Combatting superinflation with growth is a fool's mirage, a hoax perpetrated by the malicious. If this policy, touted by half the Itamar administration and by Itamar himself, turns out to be right, someone from Planalto Palace will be going to Stockholm next year to pick up the Nobel Prize in Economics. The question is how to spread the sacrifices involved in a serious battle against inflation. Neither the political leaders nor the unions and businessmen can understand this. They rail against inflation, but behave in practice as though superinflation was just one among various problems. It is not. There is no more violent form of concentrating income, no more atrocious way of having the rich earn more and the very poor lose the little they have than to allow inflation to prosper, at obscene rates. "A serious stabilization policy means that those who hold power, economic and political power must begin to pay a price and to realize that it will be necessary to make sacrifices," observed political scientist Francisco Weffort. What you cannot have is futile sacrifice like this country has been making for 10 years now.

Deputy Jose Serra (PSDB Sao Paulo) admits that the situation in Brazil is gloomy, but still believes there is a way out. He thinks that if the president acts "nobly" he will be able to reshuffle the Cabinet, calling on more

capable aides and getting rid of ciphers. "He would not lose support in Congress because of the fear that the crisis might deepen until it becomes untreatable within a normal context." At the same time, the deputy argues, the constitutional revision must be carried out so as to ensure certain political conditions and administrative efficiency for the next government. Lastly, Serra believes the presidential election should be held on new bases. "The candidates and their parties must not base their campaigns on scandalous charges and unrealizable proposals. Their platforms must be serious and realistic," he said.

The election of Itamar's successor may act as a safety valve if it serves as a compass for a plan to rebuild this country. To enable the Itamar administration to get through its term without major turmoil is the responsibility of the president, the legislators, the governors, and the party leaders. One individual can do a lot, as Judge Denise Frossard recently demonstrated when, acting alone, she arrested all the bosses of the Rio de Janeiro numbers game. It is still possible to do something to change the picture. Even Itamar can help. He just has to be unselfish enough to turn his attention away from trivia and focus on essential issues.

[Boxes p 20-23]

"Do you think Itamar is exacerbating the crisis?"

VEJA put this question to 59 well-known figures. Twenty-eight said no, 26 said yes, and five think Itamar alternates between the two positions. Following is a sample of the answers.

Dom Boaventura Kloppenburg, 73, bishop from Novo Hamburgo: "Yes. For six months we have been waiting for a firm hand and all he does is provide surprises. The president seems incompetent to govern."

Antonio Carlos Jobim, 66, a composer from Rio de Janeiro: "No. The crisis dates way back. Itamar's job carries a lot of responsibility and what worsens the crisis is a lack of faith in the present system."

Jose Genoio, 47, native of Ceara, and a federal deputy (PT-SP): "Yes. Itamar is the crisis. His decisions are poorly timed, transmits insecurity to the public, and causes dispersion in the government. He is a very poor leader, surrounded by crippled ministers."

Danusa Leao, 60, a writer from Espirito Santo: "No. Itamar is not aggravating the crisis. This country is very hard to run because of corruption. Either you line your pockets or you do not govern and you become the overseer of other people's actions."

Carlinhos Brown, 30, a musician from Bahia: "No. It would be hard to exacerbate the situation. The worst one can say is that Itamar is a lesser evil than his predecessor. He may even represent the country's salvation. He deserves a vote of confidence. He is levelheaded."

Candido de Oliveira Mendes, 64, Rio native, political scientist: "Yes. He lacks a sense of the task before him

and of the symbol he must represent. Now he is the worst kind of political culprit: blamed for what his government was not."

Leovegildo Gama Junior, 38, from Paraiba, professional soccer player (Flamengo): "Sort of. Because of his honesty, he was a real find. In government, too many changes in his team is a sign that he is not finding a way to tackle the problems."

Joyce Pasowitch, 39, social columnist from Sao Paulo: "Yes. Not that he lacks good intentions. What gets in his way is his style, the instability he conveys in the way he treats his ministers."

Jaime Wright, 65, Presbyterian minister in Vitoria: "Yes. He cannot come up with quick solutions to the crisis, which is now becoming endemic. An inflation rate of 30 percent increases the distance between rich and poor."

Carybe, 81, artist from Bahia: "No. I think Itamar is well-intentioned. Sometimes he stumbles and sometimes people trip him. All the politicians have caused the crisis. They are a terrible race."

Ilsen Pinheiro, 57, from Rio Grande do Sul, federal deputy (PMDB): "No. No president can aggravate a long-standing structural crisis. The crisis is hereditary and only a reform of the State can solve it."

[Box pp 22-23]

Worldwide Plot Against Military Pay

General says colonialism suppresses pay scales.

Did you know that the Brazilian Air Force (FAB) uses as much fuel in one year as Varig Airlines uses in only one month? Have you noticed that the world's seven wealthiest countries are firmly determined to decimate the Brazilian Armed Forces? Don't you realize that the news items on the purchase of shrimp by the crew of the presidential Boeing aircraft were part of a crafty imperialist strategy to destroy the FAB? Well, these and other screwball reports flow from the priceless pen of General Ivan Moacyr da Frota, Air Force Commander-in-Chief, in a hilarious article transcribed by O ESTADO DE SAO PAULO in its entirety last Thursday. The plucky General Frota spares no one. He attacks the Executive Branch, insults the Legislative branch, blusters against colonialism, flails out against imperialism, laments that the press is corrupt, uses exclamation points to excess, argues that the separatists represent "an extremely serious threat," fights with grammar (and loses by a TKO), warns of the imminent risk of an occupation of the Amazon region, threatens strikes, solicits applause, and ventures to make references in French. It is a text intricate in style and clear in its purposes: like some militant member of the civil servants' CUT [Sole Workers Center], General Frota wants bigger appropriations for the Armed Forces and higher salaries for his constituents. The final phrase of the harangue is symptomatic: "A nation that does not revere its Armed Forces

does not deserve to be free!" In other words, if military pay is not increased, everyone will go to jail.

On Thursday, the Media Service of the Ministry of Aeronautics (Secomsaer), explained that the general's literary effort was produced with the authorization of Minister Lelio Lobo and published in the April issue of the journal AERONAUTICA, circulated only among the military. Having been released by a superior officer to advance his opinions and addressing himself to the so-called internal audience, the general is, in the ministry's view, exempt from any disciplinary action. That is not strictly true. Subsequently, Ivan Frota expressly authorized publication of the article by ESTADAO and even declared himself pleased with the repercussions. "It was marvelous, because people had been stifling their true feelings," he told the newspaper. This could get Frota charged under Article 10, paragraph 72 of the Disciplinary Regulations of the Air Force (RDAER), which prohibits officers and enlisted men from "publicly expressing themselves on political matters." Although its purposes was to ask for more money for the military, who, like all wage earners, really do earn little, the general's pamphlet is a political statement. For example, by criticizing the "plebiscites and casuistic movements whose only intent is to increase, even further, the power of certain political groups," Ivan Frota is referring obliquely to the 1988 Constituent Assembly, which called for the plebiscite, and the present Congress, which advanced its date by six months. In complaining about the "successive budget cuts of recent years," the general is once again attacking Congress and the president of Brazil himself, the only ones responsible for distributing federal budget funds. This could subject him to paragraph 71 of the same article of the RDAER, which prohibits signing "publications of any type for political purposes, or to make demands of or criticize the constituted authorities and their activities."

On Thursday, asked why the general was not punished, presidential spokesman Francisco Baker explained: "The president has not yet met with the aeronautics minister and no position has been taken in that regard." The next day, Itamar announced that he would meet with the military ministers this week to discuss the subject. On Tuesday, Itamar had ordered the arrest of Navy Captain Dario Giordano (Reserve), a Rio Grande do Sul native who had written him a rude letter. In the case of the general, he [Itamar] preferred to play dead. By so doing, he used a double standard and lost the opportunity to reaffirm his authority over the Armed Forces, of which he is the supreme commander.

*** Survey Shows Liberal Profile of Current Congress**
93SM0291A Sao Paulo O ESTADO DE SAO PAULO
in Portuguese 23 May 93 p 10

[Article by Rita Tavares: "Liberal-Leaning Congress Will Carry out Revision"]

[Text] Brasilia—The tendency in Congress regarding the constitutional revision beginning in October will be to approve legislation more liberal than that set forth in the

1988 Constitution. A poll conducted in April by the Brazilian Institute of Political Studies (IBEP) points to changes in the profile of the Legislature. One example of this is that 69 percent of the 118 congressmen interviewed want to reduce the state's role in the economy, and 63 percent want to make the economy more open to the outside.

"Today the country's political elite is liberal," said director Walder de Goes, who established the IBEP this year and coordinated the work of the pollsters. The country's five regions and the party blocs were represented in the sample in strict proportion to their actual representation in the Chamber of Deputies and the Senate. The 118 interviewees were chosen at random.

Although it frequently happens in polls of this type that the forms are filled out by advisers, Goes asserts that the congressmen were in fact consulted. "The interviews even included comments," he explained. Most of the questions were on economic subjects, making it possible to draw up an ideological profile of the current Legislature, according to the IBEP's director.

Profile: The liberal trend in Congress showed up when the congressmen listed the reasons for the state's current difficulties. The most common answers were these: tax evasion (86 percent), waste in the public sector (77 percent), economic stagnation (67 percent), the excessive size of the state machinery (63 percent), the inefficiency of government-owned firms (60 percent), and the unsuitable distribution of expenditures between the Union, the states, and the municipalities (59 percent).

Such topics as the proper treatment of foreign capital also revealed the more liberal tone in Congress. According to the poll, 50 percent of the congressmen believe that firms with foreign capital should be treated the same as those with domestic capital, while 41 percent favor some type of differentiation.

The 1988 Constitution restricted foreign capital's participation in the mining industry. If revision began today, Congress would feel differently, since 69 percent want to revise those restrictions and 21 percent believe the current restrictions are proper. Another change concerns the tax treatment of domestic and foreign capital: 62 percent favor equal treatment.

The poll also revealed that the congressmen consider it necessary to change the tax system. That proposal, backed by the administration, is endorsed by 88 percent of those polled. And the majority in Congress—80 percent—feels that the current tax burden is too high.

The congressmen chose recession as the country's most serious problem (64 percent). The second-biggest problem—mentioned by 59 percent of the deputies and senators—is corruption. In third place is inflation, according to 50 percent of the congressmen, followed by education (47 percent) and poverty (42 percent).

Opinions of Deputies and Senators on Main Concerns in Constitutional Revision (in percentages)

Issue	Congress	Chamber of Deputies	Senate
Role of the state:			
Should diminish	69	70	63
Should increase	9	9	13
State's difficulties:			
Tax evasion	86	86	81
Waste in public sector	77	76	81
Economic stagnation	67	68	63
Excessive size of state machinery	63	62	69
Inefficiency of government-owned firms	60	59	69
Unsustainable distribution of expenditures between Union, states, and municipalities	59	62	44
Unsustainable distribution of revenues between Union, states, and municipalities	50	53	31
Granting of subsidies	46	46	44
Tax incentives	42	43	38

Source: IBEP.

Majority Challenges Current Representation Rules

Brasilia—The IBEP's poll noted another difference between the current Legislature and the one that adopted the 1988 Constitution, and that difference concerns the issue of representation in Congress. Of those polled, 58 percent now believe that the rules for distributing seats in the Chamber of Deputies are unfair, while 31 percent support them.

Of those favoring a change in the rules, 22 percent want distribution to be strictly proportional to the number of voters in each state, while another 22 percent want it to be proportional to the number of residents in each state. And 41 percent say that the minimum number of deputies per state should be reduced and the maximum increased, a change that would benefit Sao Paulo, which is currently underrepresented.

Opinion on the Distribution of Seats in the Chamber of Deputies (in percentages)

	Is fair	Is unfair	No answer
By region:			
North	71	18	11
Northeast	51	38	11
Center-West	30	50	20
Southeast	8	84	8
South	0	88	12
By House:			
Congress	31	58	-
Chamber of Deputies	29	58	-
Senate	44	56	-

Source: IBEP.

Opposition to the current rules for distributing seats is strongest among congressmen from the South (88 percent) and Southeast (88 percent). In the bloc from the Southeast Region, only 8 percent are in favor of retaining the current rules, while no one in the South supports them.

Change: The poll reveals a change in the position of the blocs from the Center-West and Northeast. In the Constituent Assembly, congressmen from those states sided with those from the North in opposing changes in the rules for distributing seats in the Chamber of Deputies.

The current apportionment rules are now considered unfair by 50 percent of the Center-West's representatives and supported by 30 percent. And although 51 percent of the Northeast's representatives support the current system of representation, 38 percent now consider it unfair. Adding their votes to those of congressmen from the South and Southeast may ensure the adoption of new rules.

The congressmen from the states in the North Region, on the other hand, have the same voting intentions as their predecessors in the Constituent Assembly. The poll reveals that 71 percent are satisfied with the current rules, compared to only 18 percent who would accept changes.

Walder de Goes feels that the different behavior on the part of congressmen from the Center-West is due to Mato Grosso do Sul's close economic ties with Sao Paulo. He says that when the 1988 Constitution was being voted on, the state was closely linked to the Northeast. Goes adds that the residents of Goias are now much closer to the interests of the Southeast. "The loyalty of those states has changed."

*** Indicators Suggest Signs of Economic Recovery**

93SM0285B Sao Paulo VISAO in Portuguese 12 May 93 pp 38, 39

[Article by "J.S."]

[Text] Several economic indicators announced in recent days suggest that the Brazilian economy is showing signs of recovery. The agricultural harvest, for example, will probably be 4.97 percent bigger than last year's, the IBGE [Brazilian Institute of Geography and Statistics] predicts. The Ministry of Planning's Institute of Applied Economic Research—traditionally conservative in its assessments—anticipates growth in the GDP on the order of 1.5 percent by September and 1.7 percent by year's end. If that estimate proves true, the GDP will have exhibited its best performance since 1989, when it rose by 3.26 percent.

In the opinion of experts from the various economic institutes, economic agents are anticipating the Itamar Plan and have already started orienting their actions toward growth, even though both inflation rates and interest rates are still high. One of the factors confirming this assessment is the significant drop in the number of

bills and notes formally registered as unpaid obligations, and in Chapter 11 and straight bankruptcies. Between January and April of this year, Serasa (Centralized Bank Services, Inc.) in Sao Paulo recorded a decline of 51 percent in bankruptcy filings, compared with the figures for the first four months of 1992.

Bumper Crop

The grain harvest should reach the 71 million ton level, according to IBGE estimates. Rice alone will probably total 10.7 million tons, which represents an increase of 11.84 percent from last year. Experts say this is due to use of methods that permit higher yields per hectare. The soybean harvest should total 22.1 million tons, 15.88 percent larger than the previous crop. The reasons are an 11.56 percent increase in area planted and better use of the soil. Increases are also predicted for manioc (8.20 percent), oranges (0.30 percent), and second-crop white potatoes (14.37 percent). As for dry beans, the outlook is for a 6.84 percent growth in the first crop, and 18.25 percent in the second.

The figures released by the IBGE also include significant rises in animal slaughter and milk production. As for sugar cane, the mills at Ribeirao Preto (Sao Paulo State), the country's leading region for this crop, began last week to reap what they call the "biggest cane harvest in the history of this region." Manufacturers said that this year they will produce 3.8 billion liters of alcohol and 42 million 50-kg bags of sugar, 10 percent more than last year. Production of sugar cane should climb from 57.2 million to 60 million tons. This means that 70,000 itinerant workers, the so-called "boias-frias," will be hired in that part of Sao Paulo State alone.

Jobs

The growth in the economy is not suggested only by indicators from the countryside. A survey of 768 small and medium-scale companies published by the National Confederation of Industries showed that during the first quarter of this year, this segment was able to maintain the same level of production achieved in the last three months of 1992. Of the companies interviewed, 38.1 percent experienced an increase in sales. Half expressed optimism as regards the trend of the internal market.

Under the heading of "employment," the sector has shown stability. Only Sao Paulo industry—the survey found—was still hiring at a slower pace. In the third week of April, only 217 job openings were recorded in the sector but despite caution on the part of the business community, the cumulative rate during the first three weeks of April represents the creation of 3,446 new jobs, an increase of 0.23 percent from the previous month. In comparison with the final quarter of 1992, the first quarter of 1993 was positive: the percentage of layoffs declined from 26.1 percent to 17.2 percent.

The March unemployment index was 5.88 percent, according to IBGE. It declined in relation to March 1992 (6.21 percent). Unemployment among males (5.62 percent) increased more than unemployment among females (6.31 percent). The following table shows unemployment levels in the six major state capitals:

Unemployment in Brazil

City	Rate (%)
Recife, PE	9.85
Salvador, BA	7.55
Sao Paulo, SP	6.20
Belo Horizonte, MG	5.19
Porto Alegre, RS	4.81
Rio de Janeiro, RJ	4.47

In the realm of industrial averages, the upward trend of investments was maintained, affecting 48 percent of companies during the quarter compared with 43.6 percent in the previous quarter. Priority was given to investments in purchases of machinery and equipment (42.8 percent), in expansion and modernization of company activities (31.4 percent), in human resource enhancement (11.3 percent), and in diversification of activities (4.9 percent). Firms also expressed optimism concerning expected business deals on the foreign market. The furniture industry looks forward to a 90.9 percent surge, transportation equipment predicts a 75 percent jump, and nonmetallic minerals anticipate a 66.7 percent growth. Evaluations by state show that the optimism is greatest in Espirito Santo (80 percent), Pernambuco (66.7 percent) and Minas Gerais (64.7 percent).

Optimism Rising in Industry

Poll by the National Confederation of Industries shows greater optimism among businessmen in ten states, in %

Optimists	36.4	43.2
Pessimists	10.8	6.0
Neutral	52.8	50.8

Source: CNI [National Confederation of Industries] [Comparison period not indicated, but accompanying text suggests it may be last quarter 1992 vs first quarter 1993.]

Hope

The consequence of all these encouraging numbers is particularly reflected among the middle class which, during this first quarter, seems more enthusiastic than in previous quarters. A survey of 800 housewives and heads of household conducted by Standard, Ogilvy & Mather and published by the Listening Post [preceding name in English] found that the middle class sees Brazil as having more chance of improving in 1993. As the pollsters observed, "hope is once again portrayed in the composite sketch of the soul of the middle class and in the framework of this country." The survey found that 64 percent of respondents spontaneously chose a positive word to sum up their outlook for this year. And they say that the change of presidents injected more optimism, especially because of signs of a resumption of credibility and ethical standards. The percentage of pessimists, in the latest poll by Standard, Ogilvy & Mather, dropped to 15 percent of respondents. These individuals claim that

they do not yet see signs of a cool-down in the inflation rate. Furthermore, that minority has no confidence in politicians and portrays this country in gloomy terms. Fortunately, this contingent is small.

Expectations Higher

The middle class has started believing again in an improvement in the country's economy

The Country's Economy	Jan 1992	Jan 1993
Will get better	25%	68%
Will stay the same	23%	19%
Will get worse	51%	8%
Don't know	1%	5%

Source: Listening Post No. 68

Chile**Air Force Denies Buying Israeli 'Spy Planes'**

PY1106195893 Santiago Radio Chilena Network in Spanish 1700 GMT 11 Jun 93

[Text] The Chilean Air Force [FACH] has issued a communique denying the purchase of Falcon spy planes from Israel. The communique, which is signed by Colonel Carlos Hernando, chief of the FACH Public Relations Department, stated that a FACH Boeing 707 is being updated in Israel, but the institution did not buy any spy planes from that country.

A European news agency yesterday released a report in Chile about the alleged purchase of Israeli Falcon planes.

Concerning the plane undergoing maintenance in Israel, it is being fitted with air operation command systems and controls.

The plane has belonged to the FACH for several years, and its updating program has been made public by the local press on several occasions. The plane is expected to arrive in Chile at the end of the year.

The communique concluded by stating that this program does not amount to any new purchase, and that the new capacities of the Boeing 707 will serve, among other purposes, to improve control of our airspace, especially in the case of plane accidents and drug trafficking routes.

Uruguay's Lacalle Says Chile Responsible for Berrios

PY1406193593 Santiago Radio Chilena Network in Spanish 1100 GMT 14 Jun 93

[Text] Uruguayan President Luis Alberto Lacalle has asserted that Chilean chemist Eugenio Berrios no longer is in Uruguayan territory, and that the case must be clarified by the Chilean Government.

[Begin Lacalle recording] I don't know whether this gentleman is missing. All I know is that he spent some time in Uruguay, but is no longer here. Therefore, as long as the opposite is not proven, this is all we know. This episode obviously refers to Chilean domestic problems which I am, obviously, not going to judge. Most of the circumstances are already history. Uruguay's interests were therefore never involved or tied to this episode. [end recording]

The Uruguayan chief of state has requested that Chilean Ambassador to Montevideo Raimundo Barros report on the alleged participation of the Chilean military in the abduction of the former Dina [National Intelligence Directorate] agent.

[Begin Lacalle recording] We have made two decisions: One was to summon the Uruguayan ambassador in Santiago to inform us about the case, and the other was to ask the Chilean ambassador in Montevideo for his upmost cooperation in providing all the information he has about the possible presence of Chilean officers in Uruguayan territory—all the information possible on this case, which is a Chilean case. [end recording]

Lacalle also voiced his disagreement with Chilean Foreign Minister Enrique Silva Cimma, who held the Oriental Republic of Uruguay responsible for this case.

These announcements coincide with comments by Deputy Jaime Trobo that Berrios was escorted out of Uruguay at the request of the Chilean Army Intelligence Directorate.

It was leaked from a secret meeting of the Uruguayan Senate that the former Dina agent entered the country in May 1992, together with another two [as heard] Chileans identified as Hernan Tulio Orellana.

Foreign Minister 'Not Offended' By Lacalle

PY1406211993 Santiago Radio Chilena Network in Spanish 1700 GMT 14 Jun 93

[Text] Foreign Minister Enrique Silva Cimma has insisted that the Uruguayan Government is exclusively responsible for locating former Dina [National Intelligence Directorate] agent Eugenio Berrios in that country.

Silva Cimma thus refuted a statement by Uruguayan President Luis Alberto Lacalle who disagreed with Silva Cimma saying that the Chilean Government is responsible for this case.

[Begin Silva Cimma recording] I said that when it comes to locating a person within the territory of a given country, it is up to the authorities of that country to do so. If someone disappears here, who is responsible for locating that person?: Chilean authorities. If the person disappears in another country it is up to the authorities of that country to find him. This is quite different from saying that the government of that country is solely responsible for what happens to this person. I never said that. [end recording]

Silva Cimma said that the two governments are undoubtedly striving to clarify this case, adding that he is not offended by President Lacalle's comments. Silva Cimma also disclosed that investigations are underway to determine the alleged participation of Chilean military men in this case.

Uruguayan Charge d'Affairs in Chile Nicolas Moreno said that this episode by no means affects Chilean-Uruguayan relations and noted that the Uruguayan ambassador was summoned to Montevideo only to brief Uruguayan authorities on the case.

Silva Positive About Possible Ties With Bolivia

PY1206135293 Santiago Radio Cooperativa Network in Spanish 2300 GMT 11 Jun 93

[Text] For the first time Foreign Minister Enrique Silva Cimma has publicly expressed his agreement with a possible resumption of relations with Bolivia.

Silva Cimma said that if the Bolivians were to propose the resumption of relations, Chile would regard the possibility with special interest, with the purpose of reaching an agreement. He also referred to the good level of contacts and the harmonization of viewpoints resulting in the signing of a complementary economic cooperation accord.

In Silva Cimma's opinion, however, now is not the time to decide to restore relations, because Bolivia is changing governments. Nevertheless, the foreign minister's comments revealed a change in the Chilean Government's viewpoint regarding Bolivia.

Minister Silva Cimma made this statement in referring to the good—almost exceptional—level of Chile's relationship with neighboring countries. In referring to Bolivia, he said:

[Begin recording] [Silva] In absolutely clear, absolutely positive terms I could not tell you whether this means that diplomatic relations will be resumed. If our Bolivian brothers propose to resume relations we would regard it with special interest, but we cannot talk about this now because Bolivia is about to change its democratic government in a few days and, therefore, it would be a hasty decision for us to make this proposal.

[Unidentified reporter] [question indistinct]

[Silva] By no means. As you know, Bolivia's current stance is very different from its stance in the past. In the past Bolivia demanded an explicit resolution, stating that this was a problem affecting the hemisphere and that the OAS should condemn Chile. Now, after three years, on the fourth consecutive year Bolivia no longer makes this demand, nor does it demand a resolution. For the first time Bolivia has acknowledged Chile's successful bilateral policy with Bolivia. This policy has been successful and beneficial for Bolivia. [end recording]

In Silva Cimma's opinion the efforts Chile made with Bolivia and other countries to consolidate a good-neighborly relationship will probably give Aylwin's administration credit for solving the most significant border problems with its neighboring countries.

Minister Comments on Latin American Education Forum

PY1106233893 Santiago Radio Chilena Network in Spanish 1700 GMT 11 Jun 93

[Text] The Fifth Latin American and Caribbean Education Ministers' Meeting, which is taking place in Santiago, is at this hour concluding. The general director of UNESCO and more than 20 ministers signed the Santiago Declaration stating that improvements in the quality of education in the region have been slow.

Chilean Education Minister Jorge Arrate emphasized that Chile allocates a low percentage of its Gross Domestic Product to education.

[Begin recording] I would say that we are still at a very low level. I have proposed that we seek formulas of consensus in the country between the public and private sectors, and between professors and municipalities, to establish a position on the matter, and that we dedicate a percentage of the proceeds from our national growth to education. [end recording]

Jorge Arrate said that during a meeting to coordinate efforts it was agreed upon to petition the media to make an effort to eliminate messages of violence.

* Growth of Trade With PRC Analyzed

93SM0282D Santiago QUE PASA in Spanish 8 May 93 pp 62-64

[Article by Marcela Lorca]

[Text] Like modern Marco Polos, Chilean business firms are trying their luck in China, to take advantage of the potential of an economy whose growth exceeded that of any other nation in the world last year.

The 253 percent increase in Chilean exports to the People's Republic of China [PRC] during 1992 is just one example of the explosive growth in the trade with this country over the past three years. Despite the major differences with respect to markets and economic systems, the relations with this Oriental giant are advancing full speed ahead. The favorable progress of the Chinese economy, which posted the world's record for growth last year, with 12.8 percent, is a promising signal to Chileans when it is time to do business.

Private entities are not the only ones interested in taking advantage of the opportunities offered by this market of over 1.1 billion inhabitants. Both the government and the Army have recently given indications that the accords with China are a good opportunity. The most recent example is the signing of the agreement for

military cooperation and joint manufacture of defense equipment between Famae [Army Ordnance] and Norinko, a corporation with industries in northern China. This occurred during General Pinochet's 20-day visit to that country.

The official visits have not been confined to the military area. In mid-March, the Central Bank's president, Roberto Zaler, signed a memorandum of understanding with the People's Bank of China, in the middle of a tour during which it was intended to reinforce the bonds of economic cooperation with that country. The importance of trade with Asia, in which China ranks fourth after Japan, Taiwan, and South Korea, was reflected in the trip taken by President Patricio Aylwin, with a large delegation of business owners, during November. Leopoldo Duran, the minister-adviser to Pro-Chile [Institute for Export Promotion], remarks: "China's efforts to deregulate its commerce, and its good relations with Chile have contributed to the trade." The official predicts that the support from that country for Chile's attempt to join the APEC (inter-governmental agency of Pacific Basin countries) will represent great progress for integration with that zone.

Caution when it is time to embark on a project thousands of kilometers distant seems to be a common factor, if one attempts to assess the attitude of both investors and exporters toward China. During the past eight years, the performance of exports to that country has been erratic and, although they have recovered in the last three years, even reaching a record volume in 1992, imports have been more stable. They had increased gradually since 1989, to the point where, last year, they scored a record as well. In that year, unlike 1990 and 1991, the trade balance with China began to show a surplus, posting a favorable figure of \$133,853. Nevertheless, various sectors have noticed the enormous gap separating the composition of the trade between the two nations. Last year, China marketed over 1,100 different products in the country, including shirts, radios, toys, cotton garments, and household furnishings. Chileans, on the other hand, sold only 17, the majority being raw materials: copper cathodes, fish meal flour, edible oils, cellulose, and woodchips.

The Chilean expeditions to China are not just a recent occurrence. Aware that, when it is time to trade, one must have Oriental patience, the companies doing business in that country have spent a long time striving. After four years of talks, it was not until 1992 that Sonda began providing consulting services in two Chinese banks, to transfer all its experience in the field of automation for branches. The first contact, made in 1989 during a banking exposition, marked the beginning of the invasion. The association with Digital (in effect since 1991) played a major role. Flavio Venturini, manager in charge of Sonda's international banking area, remarks: "They contribute their network of subsidiaries, and are in charge of the commercial management. We provide the technical portion." The company furnishes

consulting services to the Bank of China and the Agriculture Bank of China, in the development of a software for operating cashier services and platforms. They are already receiving remittances, and the amounts resemble those accrued last year through a similar contract in Thailand, namely, \$1 million annually in the case of each bank. The challenge has been great. Despite the fact that the product is similar to that developed by them for Chilean banks, the software had to be capable of accommodating the characters of the Chinese alphabet.

Another national firm planning its debut in China is Soquimich [Chilean Chemical and Mining Association]. Although the company is already included on the list of exporters to that country, it has held advanced talks with the Institute of Soil Science, Sinica, of Nanjing, to form a joint venture. Though the company's executives refuse to give background information until the contracts are signed, it was learned that the firm would act as a supplier of potassium nitrate for tobacco plantations.

Things were not easy for the pioneers either, including Madeco [Copper Manufacturing Company, Inc.]. After having initiated talks in 1985, it started in May 1989 with a copper piping factory installed in Beijing. Associated with Codelco [Copper Corporation] in equal parts, it formed a joint venture with a Chinese corporation subordinate to the Municipality of Beijing and the state agency controlling nonferrous metals. The binational firm of which the Chileans owned 50 percent had a total capital of \$12 million, but the market played a mean trick on them. The projections from the feasibility studies made by the Chinese counterpart (giving assurance of a potential market in the geographical zone adjoining the plant) were not even fulfilled 15 percent. The failure in the sales aspect caused them to reconsider the business. Eduardo Vasquez, Madeco's production manager, comments: "The situation, with a steady loss, prompted us to negotiate with our partners, and we agreed that they would purchase half of the Chilean shares in the company from us." Despite the poor results, the executive (who has participated in the project since its beginnings) notes that China is not a bad country for investment. However, he warns that a meticulous study of the market is necessary in advance. At present, the Chilean company is still the owner of 25 percent of the Beijing factory: a minimum percentage required by the Chinese state for maintaining the joint venture. Nevertheless, in addition to reducing its share, the firm decided to recall the general manager and technical consultant that it had retained in that country for three and a half years.

The poor results accrued by Madeco and Codelco in China reflect one of the problems which, despite the openness, continue to crop up for investors. Since, in the long run, the other party turns out to be the Chinese state, the results are closely linked with the policies applied by the latter to this sector. In view of this situation, all the commercial or marketing efforts applicable in the capitalist model would be out of context.

With over 26 trips to the People's Republic, one of the oldest importers of products from that country is the president of the Chilean-Chinese Chamber of Commerce, Leon Borzutzky. A partner in a surgical instruments importing firm, the entrepreneur claims that doing business with that country is not much different from the experience with any other. "But we must admit that the Chinese are extraordinarily clever in negotiating," he maintains. Venturini, of Sonda, agrees with this, noting that, despite their statist training, the Chinese executives are very well acquainted with the laws of the market. Unlike Borzutzky, who reaches a general agreement in English, the Sonda executive reports that the negotiating experience has proven quite particular. Besides the calmness with which the Chinese prefer to make their decisions, in general they have always required the services of interpreters who translate from English into Cantonese or Mandarin.

If one attempts to analyze the different adjustment processes that the Chileans have had to withstand in that country, the experiences are varied. Whereas, in Sonda, they chose to install their technicians in Hong Kong, so that they might move from there to cities in the People's Republic, Madeco, in its time, opted to install them in Beijing. The difficulties in obtaining suitable housing forced the general manager to move, with his wife, to a hotel for their entire stay. Despite the differences, the Chileans assigned to China have become well accustomed to the country, and no desertions are recorded among the companies interviewed. On the contrary, after one of Sonda's first technicians married a Chinese-Indonesian citizen, another of its envoys is awaiting, with his wife, the arrival of another child in a Hong Kong hospital. Good reasons for continuing to reinforce the ties.

Commercial Recovery

Total Exchange (in millions of US\$)	
Japan	2,672
Taiwan	651
South Korea	492
China	427

Statistics on Trade With the PRC (in thousands of US\$)

Year	Exports	Imports
1985	125	25
1986	100	20
1987	80	60
1988	100	55
1989	105	50
1990	30	60
1991	80	100
1992	280	145

*** Poll Shows Decline in Aylwin's Support**

93SM0277A Santiago EL MERCURIO in Spanish
9 May 93 p D29

[Text] Since June 1990, Bestland has measured popular support for the person and the government of President Aylwin. This is accomplished by measuring agreement or disagreement with the statement: "The government of Patricio Aylwin represents me completely."

For the first time in his administration a hardening of opposition has been observed in recent months, reflected in charges of corruption and in the public perception that certain problems, such as crime, health care, and poverty, will not be resolved during his administration.

For the first time, a clear majority (55.6 percent) says that it does not agree with the statement. Only 40 percent maintain their support for his government.

The government of Patricio Aylwin represents me completely.

	Agree	Disagree	Do not know/ no comment
June '90	61.3	26.3	12.4
September '90	56.6	33.3	10.1
December '90	44.9	41.	13.9
March '91	55.8	35.7	8.6
June '91	48.6	46.0	5.5
September '91	46.1	43.4	10.5
December '91	46.5	43.9	9.7
March '92	49.6	43.9	6.5
July '92	44.3	49.2	6.5
September '92	48.3	47.9	3.8
December '92	48.7	48.9	2.4
April '93	40.4	55.6	4.4

Lack of support is noteworthy among the young, those less than 35 years of age, where rejection of his administration reaches 64.5 percent.

This was not always the case, and we can observe a negative trend during the course of the administration's three years.

I support the government of Patricio Aylwin (18 to 35 years old)

	June '90	March '91	March '92	April '93
Agree	60.9	51.5	45.9	31.4
Disagree	27.7	40.5	49.4	64.5
Do not know/no comment	11.4	8.0	4.8	4.1

Unsatisfied Expectations

The decline in support for the government is undoubtedly not only the result of the problems of crime or corruption. The greatest loss of support is due to dissatisfaction over unkept election promises.

The following table shows the trend in expectations during the last three years on different themes. The reply is to the question: "Have your expectations on the following matters been met?"

Trend in Public Expectations

		Yes	No	Do not know/no comment
Health	March '91	45.6	44.7	9.6
	March '92	44.7	49.8	5.5
	April '93	37.5	56.1	6.4
Education	March '91	52.9	35.5	12.5
	March '92	58.1	34.0	7.8
	April '93	53.0	40.9	6.2
Wages	March '91	38.5	50.3	11.2
	March '92	36.3	57.5	6.2
	April '93	33.8	58.0	8.2
Human Rights	March '91	60.7	26.5	12.7
	March '92	47.0	41.3	11.7
	April '93	46.6	39.4	13.9

Clearly, all of the areas surveyed—except for Education—register losses between 1991 and 1993.

Unlike March 1991, the government's time has now run out, and what has not been done by now will be hard to accomplish by the end of the government's term.

Presidential Candidates

The subject of the presidential election is amply explored in this survey, especially on the center-right.

The analysis begins with an open question (spontaneous reply). Who would be the ideal president for Chile in 1994?

	April '93	March '92
Eduardo Frei	54.1 %	22.0 %
Ricardo Lagos	20.6	16.3
Hernan Buchi	3.5	6.5
Federico J. Errazuriz	3.5	6.8
Manuel Feliu	3.0	—
Jovino Novoa	2.3	—
Jose Pinera	2.2	—

This question highlights the important gain registered by Eduardo Frei, who doubles his preferences of a year earlier. Lagos also increases his preferences.

On the center-right, the great dispersion of expressed preferences, due to a lack of definition in the sector, results in low percentages for individual candidates.

A second poll attempts to analyze the votes of those who, regardless of the candidate, would vote for him because he represents a sector.

Question: "Suppose the election was being held next weekend. In that case you would vote for a candidate:"

Communist-MIDA [Allendist Leftist Democratic Movement] 1.5 percent Concertation	61.7%
Opposition (RN-UDI [expansion not given])	11.5%
Independent	11.2%
Do not know/no comment	14.2%

Those who replied "Concertation" were asked for which candidate they would vote:

Eduardo Frei—66.5 percent
Ricardo Lagos—27.4 percent
Anselmo Sule—1.2 percent
Do not know/nc—4.9 percent

This describes Eduardo Frei's undisputed leadership in this sector. For those who replied "Opposition," these results were obtained:

Jose Pinera—28.6 percent
Jovino Novoa—27.8 percent
Manuel Feliu—27.8 percent

Do not know/nc—15.8 percent

The principal conclusion of this analysis is that none of the three candidates would have an important lead over the others at the convention.

Finally, interviewees were offered a list of candidates and asked the question: "If the presidential election were held next weekend, for whom would you vote?"

Eduardo Frei—46.6 percent
Ricardo Lagos—22.2 percent
Jovino Novoa—5.0 percent
F. J. Errazuriz—5.0 percent
Jose Pinera—4.5 percent
Manuel Feliu—4.5 percent
Does not know/nc—4.7 percent
No one—6.5 percent

This confirms the dispersion of votes on the right, and how tight the presidential race is in the center-right.

Poll Methodology

Bestland's latest quarterly survey was conducted between 10 and 27 April 1993.

A random and systematic probability sample was employed, representing a population of 3,237,840 persons residing in Greater Santiago.

The estimated maximum margin of error for the entire sample is three percent.

* Nature of Support for UCC, Errazuriz Analyzed 93SM0277B Santiago QUE PASA in Spanish 1 May 93 pp 22-23

[Article by Jose Carlos Perez]

[Text] With the campaign winds already shaking the country, the Center-Center Union (UCC) seems to be the only piece of electoral pie still to be divided. The intensive negotiations that this party conducted with the official sector and with the opposition still make political news. Its attempt to weave itself into the center-left or the center-right, without discriminating, make necessary a review of the most representative characteristics of the UCC's electorate. Studies show that the profile of the Errazurist is so broad that the only pattern that fits all of Francisco Javier Errazuriz's followers is that they are "dissatisfied over something" and that they have no militant ideology of the "right" or of the "left."

In the CEP [Center for Political Studies]-Adimark poll of March 1993, the Errazurists ranked sixth among the parties with 5.2 percent, a figure that could change some faces in Congress. It can be inferred from the public opinion polls, in the first place, that the quantitative difference between support for Fra Fra and that for the UCC has diminished with the passage of time. While the distance between the ex-presidential candidate and the UCC in March 1991 was 13.3 percent, by December 1992 it was 2.7 percent. In 1991, Errazuriz attracted the support of 18.4 percent and the UCC managed 5.1 percent; today the figures are 7.9 percent and 5.2 percent, respectively. The decline, according to the experts, could be due to the fact that Errazuriz has not yet begun his electoral campaign.

A study of the general characteristics of the UCC-Errazuriz group makes it clear, first, that it is composed mainly of persons from 18 to 34 years of age, of middle or lower class background, residing preferably in regional capitals, such as Antofagasta, Valparaiso, Concepcion, or Temuco.

These data, obtained from surveys conducted by CEP-Adimark, Gemines, CERC [Center for Contemporary Reality Studies], and in studies by the Liberty and Development Institute, show that 68 percent of Errazurists describe themselves as centrists, and 22.6 percent as of the right or the center-right. The remainder, 9.4 percent, is divided among center-left and left.

According to figures from March 1993, 10.7 percent of voters between the ages of 18 and 24 lean toward the UCC. This is also true of 6.6 percent of voters between 25 and 34. The figure declines to 2.4 percent for the segment of those between 35 and 54 years of age, and drops to 2.3 percent for those 55 and older. With respect to socioeconomic level, 4.8 percent of upper class voters sympathize with the UCC, while this is true of 3.5 percent from the middle class, and 7.1 percent from the lower classes.

To examine the principal concerns of those who vote for UCC or Fra Fra, voters must be divided into groups of common interest (by age, socioeconomic level, place of residence, and political tendency). The Liberty and Development Institute conducted a study selecting the themes more frequently mentioned in each group than the average of the total sample of Errazurist voters.

Depending on their ideological self-definition, "Crime," "Terrorism," "Education," and "Employment" are the priority themes for followers of Fra Fra who consider themselves of the center or the right. There are other topics, although not as important, such as "Health" and "Protests and Riots" for those on the right, and "Price Increase" for those in the center.

Regarding division by age, the most important themes for those in the 18-34 age group are "Human Rights" and "Poverty," followed by "Education" and "Housing."

By geographic location, the theme "Employment" is most important in areas where the UCC is stronger. This is most obvious in the case of Antofagasta, where subjects such as "Inflation," "Human Rights," and "Housing" are also important. In Valparaiso and Vina del Mar, the concern is for "Health" and for Concepcion-Talcahuano it is "Wages."

"Education," "Health," and "Human Rights" appear as the most important themes for middle class groups, while lower income groups give more importance to "Wages," "Employment," and "Housing."

The views of UCC leaders on this broad profile of their sympathizers could not be obtained because, according to the secretary at party headquarters, the leaders were all very busy working on their income tax submissions. It

could be said, then, that as determined by party responsibility, the Errazurist leadership also has among its priority themes that of "Taxation."

* Commentary Notes Importance of Army-Media Dialogue

93SM0282A Santiago LA NACION in Spanish
9 May 93 p 39

[Commentary by Alberto Luengo: "Mistrust Between Civilians and the Military"]

[Text] In the Army War College's commodious meeting rooms paneled with native woods, one of the most significant and delayed events of the transition took place this week. For the first time, at the Army's invitation, the leading press officials and the top military echelon met for a massive, open dialogue on the highest level, to discuss the controversial boundaries between freedom of speech and national security.

The endeavor was risky. The autonomy of the press, its tendency to reveal facts that the military would like to keep secret, and their mutual mistrust, nurtured by years of disagreements, prompted the assumption that this meeting might prove, rather, to be a reflection of a dual impotence: that preventing the military from "counting on" the press for its objectives, and that of journalists, who often clash with the grim silence of the "great mute," as one Spanish analyst called the Army in democratic societies.

Specialists in military affairs claim that, after human rights, there is no other issue in Chile more detrimental to the military's relations with the civilian world than what those in uniform term the "excesses of the press." One of the seminar participants put it bluntly: If the press criticizes an officer, the latter considers his authority to command the troops weakened, and this could cause flaws in national security.

That dichotomous perception of the press' role (either to abet the interests of the Army and national security, or to attack them) was explicitly or implicitly behind most of the comments made by members of the military at the function. As the Army's commander in chief, General Augusto Pinochet, declared at the close of the seminar, "So long as the military function and national security are not understood in their proper dimensions, we shall not have a relationship that could and should be fruitful and positive."

Hence, the mistrust in the military world toward the civilian realm is still one of the weak props in a relationship that until recently had been openly confrontational. It is the same mistrust underlying the Army's latest rejection, voiced this very week, of the Executive Branch's proposal to resubmit to Congress the bill for restoring to the president the authority to call for the retirement of Armed Forces senior officers. To a large extent, the Army still views itself as a closed world, little understood by the civilian society, and threatened by

attempts at politicization from outside. At the same time, as General Pinochet took it upon himself to recall in his remarks, the military consider themselves the guarantors of the country's institutional stability. Hence, the Army "rejects any action by those attempting to trample on the nation's higher values, or seeking to discredit any permanent institution of the republic."

During the debates and roundtable discussions that typified Thursday's unusual meeting, the generals and colonels who spoke expressed this same notion with various nuances. They regard the public criticism of their acts or decisions as unacceptable, because they think that it weakens national security. On the whole, they favor reducing the number of public briefings from the Army, and expanding restricted areas. They agree that the press should operate freely, but demand of it responsibility and, at times, submission to security requirements.

The civilian society's viewpoint was summarized by Minister Enrique Correa in his address, when he observed: "National unity requires the acceptance of diversity, and not of imposition by those in uniform." Correa indicated that military secrecy is necessary in very few instances, and that there should be some other type of civilian control over them. He emphasized: "Democracy cannot be interpreted as a hostile concept by the military." It is true, he admitted, that the Constitution confers a special role on the Armed Forces in maintaining institutional order; but he claimed that this is a "shared mission" incumbent on the public authorities headed by the chief of state.

In other words, Chilean society has not yet succeeded in finding a normal path in civilian-military relations.

In all the democratic countries, the relations between the Army and the press are troubled, owing to the different nature of their functions. It is the obsession of the press to reveal, and that of the military is, rather, to conceal. The press acts speedily, and the military, without haste. The Army is hierarchical and disciplined, whereas journalists are more anarchical and diverse.

In Chile, however, after the long, traumatic military regime lasting nearly 17 years, the reasons for the mistrust are even greater. So, the most significant aspect of this meeting, surrounded by military formality and symbolism, was the mere fact that it was held. It is the only way to dispel prejudice and to pave the way for understanding.

* Vicariate Renamed, To Continue Social Work

93SM0277C Santiago LA NACION in Spanish
12 May 93 p 7

[Article by Jose Gonzalez]

[Text] The Vicariate of Solidarity, yesterday renamed the Social Pastorate, can be described as the heir to all of the church's social work to satisfy man's physical and spiritual needs.

The ceremony, held in a building owned by the Archbishopric of Santiago, at Erasmo Escala 1822, was attended by Cardinal Juan Francisco Fresno, Archbishop of Santiago Carlos Oviedo, Education Minister Jorge Arrate, and the vicar, Monsignor Sergio Valech, among others.

During the inaugural ceremony, the future role of the Social Pastorate in this democratic Chile was explained by means of a Diaporama exhibition, and speeches by Archbishop Oviedo and the organization's executive secretary, Eduardo Rojas. They had earlier described how the Vicariate of Solidarity had been the voice of those mistreated by the dictatorship.

The new mission of the church was defined as that of successor, in every sense, to what had been its work of education and of support of social organizations—the heir of all the works carried out by Catholics at various times in our history. And it will continue the work of the Department of Social Diffusion (Indiso) and of Caritas-Santiago.

The church's greatest concern is poverty and the problems that accompany it, such as hunger, bad working conditions, limits to social participation, fear, and crime. Also, the conditions created by the development model of modern society and culture: dehumanization, loneliness, lack of solidarity, and excessive competition.

As to the basic mission and tasks that it has taken upon itself, Eduardo Rojas said that they are "to inspire, coordinate, and support the social pastorate of the church in encouraging the culture of solidarity, respect for human rights, and the quality of life of the poorest."

Challenges

In his speech inaugurating the new organization's activities, Archbishop Oviedo said that it would continue to do the work it has always done, "because there are problems that have been with us for such a long time, such as poverty, alcoholism, the prison system, and abandoned children. And there are also new challenges, such as those derived from drug trafficking, AIDS, a new concept of homes for minors, job training, and others."

For this reason, the archbishop continued, this Social Pastoral Vicariate was created, which will coordinate all of the church's activities, such as its meditation groups and its broad range of collaborators. Nevertheless, we are not seeking only immediate solutions, but we are also offering help to those who are active in, or responsible for, these areas, including the state.

Political Education

According to the archbishop, there are many pressing matters, but he wished to emphasize one, because of its

potential for the future, the "plan for political education, or for conducting our political life."

He said that "it is important to appreciate public service, ranging from registering to vote, to that performed by persons who are trained in its practice. On this point, it behooves us to work in special collaboration to train those among the faithful who are capable of taking up public service and dedicating the best part of their lives to it, for the creation of a society with more justice, fraternity, and solidarity in which, above all, the dignity of the human person is respected. As John Paul II reminds us in *Centesimus Annus*, "man is the pathway of the church."

In his pastoral letter *The Catholics and Politics*, the prelate spoke of the responsibility "that we have for the education of politicians, not of a particular party or faction, but in general, so that they can influence decisions on the nation's fate or destiny by making legitimate choices."

* Refinery Officials Fired for 'Financial Irregularities'

93SM0282B Santiago EL MERCURIO in Spanish
14 May 93 pp A1, A16

[Text] Eight officials of the Concon Petroleum Refinery (RPC), including its general manager, Marcos Vasquez, and the general secretary, Claudio Sota, were finally discharged from their positions after the audit conducted by the international firm, Ernst and Young, at the government's request. This occurred after congressmen brought charges of financial irregularities, and improprieties in the awarding of contracts.

Other terminations of contracts apply to the chiefs of the Production, Maintenance, and Risk Prevention Departments, as well as the Planning Management's Projects Department, whose identities were not revealed. Also included are the chief of the Civil Projects Area, Alejandro Ramirez, and the underbrush clearing inspector, Luis Bahamondes. Most of them have had over 20 years of service at the refinery.

Mining Minister Alejandro Hales announced: "All of them are considered responsible, directly or indirectly, either for acts or omissions, such as not preventing the failure to implement projects on time, and a lack of technical grounds that should exist in the case of other types of implementation." He stressed that this "does not question the integrity" of those officials, but rather accuses them of administrative faults, such as lacking knowledge regarding certain types of work.

The official held a press conference to announce the results of the auditing firm's investigation and the pertinent measures adopted.

The state secretary also indicated that all the records had been submitted to the State Defense Council, so that it might oversee the safeguarding of the public interest.

Others present at the meeting with the press were the ENAP [National Petroleum Enterprise] general manager, Juan Pedrals; the same firm's auditor, Cristian Maturana; the RPC's general manager, Alex Avsolomovich; and the undersecretary of mining, Ivan Valenzuela.

Deputy Raul Urrutia, of RN [National Renewal], and Senator Laura Soto, of the PPD [Party for Democracy], were the ones who made the charges publicly some time ago. They described them as involving possible irregularities in matters such as contracts in the millions for underbrush clearing work, awards without the pertinent bidding competitions, and other spending that they deemed unnecessary.

As a result, the Ministry of Mining, at the express request of President Patricio Aylwin, commissioned an audit by an international consulting firm, which was contracted by the National Petroleum Enterprise.

Before the audit began, the RPC board of directors adopted some measures, such as calling for the resignation of the general manager and the general secretary, who was on medical leave. There was also a reduction in the number of area managements, and an internal audit office was established, as well as a bid-letting system for projects and services based on free competition among contractors, and not limited to the Fifth Region alone.

Similarly, the contracts committee was abolished, overtime without justification was eliminated, internal publications were terminated, the public relations department was reduced to a single person, and requests for external consulting services were discontinued.

Minister Hales noted that the report from the international consulting firm had been delivered to President Aylwin yesterday, together with a detailed explanation of the decisions made pursuant to it by the RPC board of directors.

Inspection of Contracts

The mining minister explained that the auditing firm analyzed both operational and nonoperational contracts, dated from August 1990 to March 1993, involving a total sum of 20,323,089,000 pesos.

The operational contracts analyzed (associated with the refinery's ordinary business, such as employment, maritime transport, and sale of products) amount to 16,625,922,000 pesos. On the other hand, the nonoperational contracts inspected (relating to projects and services) total 3,697,167,000 pesos.

The official explained that the inspection by the Ernst and Young consulting firm prompted no comment concerning the operational contracts. As for the nonoperational ones, he remarked: "There are shortcomings, and failure to comply with internal regulations."

General Findings

Consequently, the document issued, in its section on general findings, states: "The findings from our assessment of the internal control and administrative procedures for the implementation of contracts in force during the period under inspection are that, inasmuch as they were duly applied, they gave suitable protection to the refinery's interests, and provided security and support for the operations in question."

It adds: "During our inspection, we found that, generally speaking, those procedures and policies were appropriately applied in the company's different operational areas, except in certain specific respects, which could be improved. The examinations of the samples of operational contracts inspected both by us and by external auditors in attendance confirm this, because no significant comment was elicited."

And, in this respect, it concludes: "On the other hand, the results of our examination of the nonoperational area showed shortcomings and a failure to comply with various regulations of the policies in effect, in several instances. These were related to preparation of terms and conditions, calls for bids, selection of bidders, evaluation of tenders, and procedures for award and control of the execution of contracts."

Concrete Measures

The mining minister indicated that, once the auditors' report was published, the enterprise's board of directors decided on a series of measures, the day before yesterday. The first was to accept the resignation, as of 15 May, of general manager Marcos Vasquez who, in fact, was away from his assignment while the audit was occurring. Moreover, it was ordered that projects and services contracts could not be made directly, except in instances determined to be exceptional in nature.

Also stipulated was the study of a consistent, comprehensive fire protection plan, calling for short- and medium-term measures.

The official noted that a copy of the audit firm's report would be sent to the Criminal Justice entity, which is hearing a charge brought by congressmen. He added that it was also ordered to be submitted to the State Defense Council, "to protect the public interests insofar as is fitting."

An explanatory report on the causes of the deficiencies in the underbrush clearing work will be prepared as well. Commenting on this, he claimed that it does not preclude the adoption of whatever measures are necessary, and the establishment of the "resulting liability of those who had a culpable participation, affording an opportunity to make the reparations mentioned by the external auditors."

'Blameworthy'

At a subsequent round of discussions, Minister Hales described all the persons whose resignations were requested as "blameworthy."

For example, he gave a reminder of the performance of the general secretary, who did not call for bids to award contracts. He also cited the liability of the general manager, "who must have known this, and all those area and department chiefs associated with the projects carried out."

As for whether the audit revealed that there was an improper appropriation of treasury funds by the officials, he declared: "Absolutely not. That is a question that I asked of the members of the auditing firm: 'Is there any record in your investigation that would imply any impropriety by the officials, or any sign of corruption?' Categorically, no. I want to make this quite clear and, if you see the report and its findings, you will observe that there has been poor internal management, a poor administration."

When he was reminded that, on the occasion of the charge, all the persons involved were close to the examining minister, Juan Hamilton, Hales commented: "Tomorrow, as minister, I might propose and appoint someone in Codelco [Copper Corporation]," denying any kind of political liability in such an event.

As for a possible political cost for DC [Christian Democracy], he commented: "But what are we doing? Are we trying to find a political problem or one of zonal rivalries in this, or do we really want to deal with what occurred in the RPC?" He added that, if he were to suggest an official for a position, "and if he turned crooked on me at some particular time, I would not be responsible for that."

He stressed that, "The justice system is free to conduct a full investigation. A charge has been made; it is not a lawsuit. If, tomorrow, the common criminal justice system reaches the conclusion that someone, whether it be one of the contractors, the inspectors, or those playing on the soccer team, was given a bonus by the company or committed any wrongdoing, that is a different matter."

In conclusion, the state secretary emphasized that there was no misappropriation of funds, but rather, "a contract that was very badly implemented."

The auditor, Cristian Maturana, in turn, gave a reminder that the RPC officials "are not public officials," and are governed by the Labor Code, and not the Administrative Statute.

* Codelco Rehires Miners Dismissed After Strike

93SM0282C Santiago LA NACION in Spanish
9 May 93 p 10

[Article by Francisco Artaza]

[Text] Yesterday, the 18 drivers and six shovelers from the Chuquicamata mine, 24 in all, resumed their work. They had been dismissed at the decision of the mine's

general management for having taken part in the half-hour strike held last Monday, called by the Copper Workers Federation [FTC].

This action marked the end of the tense conflict that occurred during the past few days, threatening to cause a total shutdown of copper production activities in the country.

The important agreement was reached after more than four hours of negotiations between the executives of Codelco's [Copper Corporation] Chuquicamata Division, Renzo Gasparini, Hugo Jorquera, and Juan Carlos Pollarolo, and the top-ranking leaders of Chuquicamata's first and second unions, Hernan Santelices and Freddy Hinojosa, respectively.

The context in which this meeting took place was not the most propitious. The workers were insisting that the solution to the conflict inevitably entailed the reinstatement of their dismissed fellow workers, and the immediate removal of the Codelco executives who had ordered penalties imposed on the miners; and they were pressuring their leaders to go on strike. Meanwhile, the company was trying to appear adamant in its stance, and accusing the workers of having participated in an illegal movement.

Nevertheless, in the end, moderation and a spirit of understanding proved capable of reconciling positions that had been absolutely opposed until then. The record of the agreement reads, in part: "The two sides have carefully reviewed the events that have occurred recently, and the consequences that a continuation of these situations would bring, to the detriment of the country, the division, and the workers."

Gasparini declared: "We could not keep on kicking each other endlessly. The beneficial aspect is that we arrived at several commitments that will generate better labor relations within the company." According to Chuquicamata's top-ranking executive, this agreement did not mean that the workers "capitulated to the company," but rather involved giving up mutual grudges. This is particularly evident because the accord reached with the workers averts the danger of a strike during the forthcoming collective bargaining, in which over 7,000 workers will participate.

The Conflict

The conflict was triggered at about 1200 on 3 May, when a large group of workers parked the vehicles of Chuquicamata's second and third unions in front of the mine gates, so as thereby to delay the other miners' entry. The mobilization was associated with a partial stoppage of activities called for by the Copper Workers Federation in all Codelco divisions. Its purpose was to complain of the working conditions prevailing in the company, and to call attention to the attempt to privatize certain areas of the National Copper Corporation.

According to the union leaders, the strike was also a timely show of force shortly before the opening of the collective bargaining process with the company; especially now that the price of copper, the nation's leading export product, is still declining.

The company's drastic response of firing 24 workers, many with over 15 years' service in the mine, for "leaving their jobs," evoked criticism from the entire union sector and from a virtual majority of political parties. This heightened the tension surrounding that conflict. However, after several days of uncertainty and difficult negotiations between Codelco and the copper workers, the crisis ended.

Colombia

* Factors in Samper Electoral Prospects Viewed

93SM0278A Santa Fe de Bogota EL TIEMPO in Spanish 18 May 93 pp 30-37

[Text] The New Samper

The 1994 model Samper weighs less, has more gray hair, and is very eager to be president. SEMANA looks at his chances.

The Ernesto Samper Pizano who arrived in Bogota this weekend after serving for close to 18 months as ambassador in Madrid could well be described as the 1994 model Samper. If there is anyone on the national political scene who has undergone constant change in recent years, it is unquestionably Ernesto Samper. The first one that Colombians came to know was the 1976 model, the Samper who was president of the Association of Financial Institutions, ANIF, and who at just 26 years of age soon became a combination of prodigy and "enfant terrible" of the at that time wizened national trade unions. Then came the 1982 model Samper, who as a defeated senatorial candidate and coordinator of the unsuccessful presidential campaign of Alfonso Lopez Michelsen that year, became at age 32 Colombia's youngest political has-been. Then came the 1984 model, the populist, pro-patronage Samper who was backed by street vendors and feared by the business community, who first became a Bogota councilman, then a senator of the Republic, and finally, in 1990, a Liberal candidate for president. A new model, the 1994 version, will make its debut this week, and it is unquestionably quite different from the previous ones.

The new model represents a successful former minister, a man who can now point to his experience, having gained the trust of the private sector during the time that he headed the Development Ministry. At the same time, he is a former ambassador who has traveled the world accumulating knowledge, and he has become the sort of statesman that very few people saw him as previously. The man who arrived this weekend is more mature and

steadier, weighs several kilos less, has a few more gray hairs, and, above all, badly wants to be the next president of the Republic.

Marked by Destiny

The only thing that has not changed during all his years as a public figure, especially over the past six or eight, has been his conviction that he would become president. And millions of Colombians shared this certainty. At the age of 40 and in spite of his defeat by Cesar Gaviria in the 1990 Liberal primary, he had gained the status of the natural leader of the Liberal Party. Given this status and at the age of just 40, it was unthinkable that he would not one day be in charge of Narino Palace.

A year afterwards, however, the enactment of the new Constitution changed a great many things in Colombia, and the fact is that since then, what seemed an absolute truth just three years ago has begun to appear with a question mark beside it. Having the support of the great majority of Liberal congressmen, as Samper does, may not be all that good today. Being first in line, as Samper is, was decisive before the 1991 Constitution, but today it may not be. To move among and negotiate skillfully with regional bosses is not only not that much of an advantage today, but in fact many Colombians do not look kindly on it. For all of these reasons, there is still no definitive answer to the question of whether Ernesto Samper will become president of the Republic in 1994. What is more, almost all domestic political activity revolves around this issue today.

In order to become president in 1994 Samper has to follow a formula that is as simple as it is difficult. First, he must run in the Liberal Party's primary and win the official nomination. Second, he must face off in the first round of balloting with his main rival, Senator Andres Pastrana, in a bid to win an absolute majority and the big prize: the presidency. If he falls short, he will have to go all out in an unpredictable one-on-one contest with the former mayor of Bogota in the second round of presidential balloting.

The First Round

It is clear then that the first round of the fight that Samper must wage on his road to Bolivar's throne is the primary election.

There are two fundamental factors in this unusual primary: political organization and public opinion. The combination of the two determines the winning ticket. In the 1990 vote, Gaviria was the public opinion champion and, moreover, had a respectable political organization. The combination was the key to defeating Hernando Duran Dussan, who had a much stronger campaign organization than Gaviria but was far behind him in the opinion polls.

This time, with the 1994 primary less than 10 months away, Samper is ahead on both fronts. He has far and away the best political organization in the Liberal Party

and also enjoys a comfortable lead among Liberal public opinion. Samper has had the edge on all his rivals in every poll of Liberal voters this year. Just after he left the Ministry of Government, Humberto de la Calle came close to him but then seemed to get stuck in second place. Farther behind are Lemos and Parejo, and although the latter has moved up in the latest polls and is now slightly ahead of the former foreign minister, the fact is that he is still far behind the pacesetter.

In terms of political organization, Samper's advantage is the fact that he has the backing of close to 60 percent of Liberal senators and 65 percent of congressmen. His strength in this area contrasts with the weakness of his rivals, and here lies the difference between the 1994 primary and 1990 one, when the legislative backing of Gaviria, Duran, and Samper was relatively even. What has happened is that after the 1990 experience Liberal legislators began to believe in the polls, which had always predicted a Gaviria win, even though Duran seemed to be ahead in machine votes. This time few Liberal lawmakers are willing to back anyone other than the frontrunner.

All of the above indicates that if the factor of organization is combined with the factor of public opinion, Samper will win the primary. In the past, a candidate who won the official nomination of the Liberal Party would be seen by the public more as the president-elect than as a presidential hopeful. These, however, are perhaps the first elections in Colombian history in which, without a divided Liberal Party, being its candidate does not guarantee the presidency.

Adverse Factors

There are three reasons for this: the new ground rules, the Andres Pastrana phenomenon, and the potential wear and tear on the current administration.

The 1994 presidential elections will be the first held under the new Constitution, which introduced fundamental changes in the mechanism for electing the chief executive. One represents a specific threat to the Liberal Party: the two rounds of balloting.

This innovation, which was sponsored during the Constitutional Convention by Alvaro Gomez and Antonio Navarro, strengthens smaller parties at the expense of the biggest vote-getter. When there was a single round of balloting, a bloc needed only to garner more votes than all its rivals in order to win. The purpose of the second round is to lend legitimacy to the institution of president by guaranteeing that one is elected with at least 51 percent of the vote. The price of this guarantee, however, is that it allows smaller groups to form coalitions against a party with a plurality.

In the specific case of Ernesto Samper, the danger is that if Navarro is eliminated in the first round, he and his movement may make a pact with Pastrana to combine votes against the Liberal candidate and defeat him.

But Samper's biggest problem is not so much the second round as the Andres phenomenon. The former mayor today has popularity ratings that not even his followers can fully understand. He clobbers everyone in the polls. He wins in all the major cities. He wins in all social strata, and he is the top choice in all groupings by age and sex. And he has accomplished all this practically without opening his mouth. As a senator he has not been a particular standout, nor has he aroused the interest of the press. Yet, the lower his profile, the more popular he becomes, and the polls show that not only has he retained his lead but is even widening it.

Andres is trying to position himself as a political outsider, which is why he is not registered in either of the two factions into which his party is divided. His goal is to avoid being counted in a Conservative Party primary, confident that his overwhelming majority in the polls will cause the party's voters to rally around him after the skirmishes between the various Conservative factions are over.

The third adverse factor is the dwindling popularity of the administration. Yet this in a way is a marginal factor, compared to the other two. It is normal for the popularity of the Gaviria administration to decline as the end of its term approaches and no imminent catastrophes are to be seen. In any event, Samper has tried to straddle the fence and be both a supporter of the administration and an independent, painting Humberto de la Calle as an "advocate of the status quo."

The Strategy

For all of these reasons Samper is forced to conduct a much more innovative, much bolder, and much more intelligent campaign than he would have had to in the past. Since he cannot do anything about a possible decline in the administration's popularity, nor about a second round of balloting, his entire campaign has to focus on neutralizing the Andres phenomenon.

He has some things on his side in this connection. First, although the polls are statistically valid, a year before an election they are not the final word, for the simple reason that the campaign is not under way yet. We do not even know who the candidates will ultimately be. None has set forth his platform. They have not been tested either in public or in the mass media. Given all this, what the polls are gauging now is mainly recognition and preference. Andres Pastrana unquestionably has a great deal of what the ladies call "charm," but this is only one of the many factors that come into play in the choice of a president, and it is the only one that the current polls are measuring.

Another very important factor in Samper's favor is that the official nomination of the Liberal Party will be a big boost to whoever takes it. A win in the primary will generate a climate of victory, and in politics victories create what the Americans call momentum. For a couple of weeks the mass media will focus on the winner, and the formidable machinery of the Liberal Party, which

still accounts for more than half of the country's political organization, will grow stronger.

Winning the Liberal Party's nomination could boost the candidate 10 points or more in the polls overnight. It is like Miss Cundinamarca becoming Miss Colombia. Once she has the scepter and crown, the contracts start pouring in. Given that the Liberal Party accounts for 46 percent of the electorate and that it is the only party about which a majority of the people in the country feel positively (see table), becoming the single, official candidate of the Liberal Party is still a very big advantage in Colombia.

In the opinion of the circle closest to Samper, Andres Pastrana is an excellent candidate who is, nevertheless, quite vulnerable. He is young and represents change, without question, but has major weaknesses. One of the managers of Samper's campaign told SEMANA that "his excessive youth (38 years of age), superficiality, lack of structure and preparation, and the absence of definite positions are factors that will make people think twice before electing him president of Colombia. It is like when a girl falls in love with a bullfighter. Her entire family may be enthusiastic, but they will not allow her to marry him." In this connection they cite recent polls in which many say that they feel Pastrana is still too young for the presidential chair (see poll).

Moreover, Andres' track record in elections shows a pronounced trend: he loses ground as a campaign wears on. In the campaign for mayor of Bogota in 1988, he started off with 65 percent and won with 37 percent, thanks to the Liberal Party split between Ossa and Caicedo. During his last campaign for the Senate, he started with 33 percent and more than 30 possible senators and wound up with 8 percent, eight senators, and a loss to Vera Grabe. Something similar could happen this time, because Antonio Navarro Wolf, whom many are not taking into account right now, is taking off in the polls and gaining ground quickly. When all is said and done, the first round of the presidential election is going to be a battle not just between Pastrana and Samper but between Pastrana, Samper, and Navarro.

Positioning Himself

Samper is convinced that the central focus of the presidential campaign is going to be the message that each candidate succeeds in conveying to the public. And it is mainly in this field that he plans to neutralize Pastrana. His strategy is to position himself in the center of the ideological spectrum, which according to his advisers is where most of the country is. He wants at all costs to avoid a repetition of what happened to him in the 1990 campaign, when he found himself on the left of the political center of gravity. According to Fernando Botero, his campaign coordinator, "what happened in 1990 was that Gaviria took control of the center and very skillfully pushed Duran to the right and Samper to the left. In this campaign, the ideological advantage belongs to Samper, who controls the center of the ideological

spectrum and is in a position to leave Navarro on his left and Pastrana on his right." This placement on the spectrum is a very fundamental issue, and everyone in the campaign is taking it very seriously.

Although it is often said that ideologies died after the fall of communism, Samper believes that the Liberal Party, amid all the personal attacks and lack of discipline, is a party of ideological convictions and that when these chords are struck, it reacts. In recent months he has come to admire Bill Clinton greatly from a political and ideological standpoint. He feels that the current President of the United States was right to have portrayed himself as a counterbalance to the excesses that emerged during the era of Reagan and Thatcher, with whom Bush was identified. He sensed correctly that people wanted a little less right and a little more center, and it is to this that the unexpected victory of the young Democrat can be attributed. Although he is not saying so, he wants to position himself vis-a-vis Gaviria the way Clinton positioned himself versus Bush, that is to say, more toward the center than the neoliberalism of Gaviria. While he takes over the new center, he has decided to leave a defense of the status quo to De la Calle and neoliberalism to Pastrana.

The Campaign

So enthusiastic is Samper about Clinton that he plans to bring to Colombia practically the entire team of advisers that carried the Democratic candidate to the presidency. Peter Hart and Frederick Hartwig, the pollsters of the Democratic campaign and of THE WALL STREET JOURNAL and the architects of the Democratic Party revival, will be working on polls and strategy. Michael Sheehan, Clinton's image adviser, is going to be involved in media strategy. And lastly, the prestigious firm Greer, Margolis, and Mitchell, which handled communications for the Clinton campaign, will be in charge of advertising and communications for the campaign.

The campaign is going to be the most technical or "Gringo" that has been conducted in Colombia to date. But in this area no one should underestimate Andres Pastrana and his future campaign coordinator, the current minister of development, Luis Alberto Moreno, as they too are believers in U.S. campaign technology.

All of the imported and local pundits involved in the Samper campaign agree that the candidate's main weakness is his closeness to the political class, which many sectors associate with patronage. This is an odd association, inasmuch as when all is said and done the career of the recently arrived ambassador has been equidistant between the public and private sectors. We must not forget that he began his career alongside the Michelsens, the Sarmientos, etc., before moving over to the Names, Guerras, etc. Nevertheless, he has not succeeded in

completely shaking off his reputation as something of a logroller or political hack that the 1980's model left him with. This is a serious problem when we bear in mind that the political class is severely discredited today (see table), and consequently being associated with it is a touchy matter.

Realizing this, campaign officials have decided to take the bull by the horns. The campaign will not be against the political class, as Galan's were, but it is not going to ride on its back either, as Duran's did. This is why a political rally at the airport on the day of his arrival was ruled out. As one of Samper's strategists told SEMANA, "having mariachis, a motorcade, and a band at the airport when he arrived, in the style of the 'Kennedy district: here we are,' would have been a disaster and given public opinion would have sent the wrong message."

Even bolder is the idea of conducting a campaign without political demonstrations or rallies with a reviewing stand in public squares. Instead, the idea is to run a campaign based on two kinds of events. On the one hand, gatherings with people in a new, participatory format (like Clinton's "town hall" meetings), which would allow Samper to listen to people's problems and solutions. On the other, a series of issue forums in different regions of the country.

The aim of all these innovations is to bring the candidate closer to average citizens and distance him from the traditional politicians, who are on the decline today. There has been a surprising new development in this connection in recent days, however. The polls are starting to show for the first time that Pastrana is associated more with the political class than Samper is, and that the Liberal candidate is associated more with the private sector than his rival is. This is the first major change in the polls in weeks, and although the Samper people have not overcome their image problem, they are relieved, if not happy, to see that Pastrana is having his problems too.

The new Samper has just arrived in Colombia amid all these problems and all these hopes. Above all, he is a realist. He realizes that it is possible, even likely, but not certain that he will win the presidency. Today all of the polls show him running behind Pastrana. He hopes gradually to take the lead. But those who are in the know about politics predict one of the hardest fought elections in recent times. A real photo finish.

[Box, p 32]

Last week, this magazine hired the firm Gallup Colombia to conduct 450 telephone interviews in Bogota, Cali, Medellin, and Barranquilla to gauge comparative support for Ernesto Samper and Andres Pastrana through a series of questions about their public image. SEMANA presents below the findings of this interesting one-on-one comparison.

How People View Them

Do you think that he is qualified to be president?

Ernesto Samper		Andres Pastrana	
Yes	No	Yes	No
54%	29%	42%	51%

Do you think that if he is elected president, he will be able to capture or kill Pablo Escobar?

Yes	No	Yes	No
14	67	16	69

Do you think that if he is elected president, he will be able to solve the problem with the guerrillas?

Yes	No	Yes	No
26	64	25	68

Do you think that if he is elected president, he will run the country's economy well?

Yes	No	Yes	No
55	32	45	48

Do you think that he is surrounded by good people?

Yes	No	Yes	No
51	24	52	32

Do you identify him more with the political class or the business sector?

Politicians		Business	
Politicians	Business	Politicians	Business
55	35	73	21

Conclusions

- The respondents see Samper as better qualified than Pastrana to be president.
- Both are seen as chief executives who would have little chance of capturing or killing Pablo Escobar or solving the guerrilla problem.
- Samper also has the edge on Pastrana in his perceived ability to run the economy.
- Perhaps somewhat surprising to some, the respondents identify Pastrana with the political class more than they do Samper, whose trade union past and time in the Development Ministry seem to carry weight in this regard.

Who is most to blame for Colombia's problems today?

Answer	Percent
Politicians	46
Drug traffickers	15
The guerrillas	10
Foreign companies	6
The upper class	4
Business leaders	1
All/none/no opinion	18

Political Party Affiliation

Affiliation	Percent
Liberal Party	46
Conservative Party	17
Independents	18
M-19	15
Other parties	4

Opinion of Political Parties

Party	Positive	Negative
Liberal	50	22
M-19	38	32
Conservative	30	36
New Democratic Force	27	30
National Salvation Movement	21	39

The Primary

Candidate	Percent Support
Ernesto Samper	24.1
Humberto de la Calle	17.2
Carlos Lemos	11.7
Enrique Parejo	12.7
David Turbay	3.8
Rodolfo Gonzalez	2.2

*** Navarro Wolff on Wide Range of Policy Issues**

93SM0276A Santa Fe de Bogota CROMOS in Spanish
26 Apr 93 pp 37-41

[Interview with Antonio Navarro Wolff, Democratic Alliance/M-19 presidential candidate; place and date not given; first paragraph is CROMOS introduction]

[Text] CROMOS is publishing a weekly series of exclusive interviews with all the presidential candidates. This is a way to learn more about the personalities and programs of the people who have decided to submit their name and ideas for the consideration of their fellow citizens. Today is Antonio Navarro Wolff's turn.

[Navarro Wolff] I think the Constitutional Convention was convened a year too soon. I feel that the assembly should have met during the first half of 1992 and there would have been time to work out settlements with other guerrilla groups, especially with the FARC [Revolutionary Armed Forces of Colombia], for this really was a very important scenario, the most important of the decade, and there was, shall we say, a real political prize

for whoever could bring about peace. Now one of the problems is finding a new political scenario.

[CROMOS] Another Constitutional Convention cannot be invented....

[Navarro Wolff] No, and simply going on to the elections is not easy. We all know that taking part in elections is quite complicated, especially for a group without an organized political apparatus. We are experiencing these difficulties, and the Constitutional Convention obviously provided a very favorable setting. We did the opposite of the marriage feast of Cana. We drank the best wine in the beginning and were left without wine for the second part....

[CROMOS] Alvaro Gomez is back. What are the possibilities of an eventual alliance?

[Navarro Wolff] I have not spoken with Alvaro since last year. I only talked with him once, when he was at the embassy in November, and after that I did not see him again. We will see how he views things.

[CROMOS] And how do you see the situation?

[Navarro Wolff] As a dead end. Politics is eroding more and more. We are going to have elections in which nothing will be decided. The parties are internally so heterogeneous that voting for a party does not mean deciding, it is simply voting for a party or a candidate, but without any clear commitment....

[CROMOS] There are no ideological boundaries...?

[Navarro Wolff] Right, you do not know what is going to happen with a specific vote. In any case this is the most serious problem, that everything is losing meaning, and is becoming a game of smoke and mirrors. The people are very attached to party systems. They do not want to get rid of them because they feel they will be left high and dry, and that they will lose. I think they underrate the possibility of gaining anything. The elections are to decide issues, not simply to select people, and it seems to me that now the politicians only want to select people. People in all the parties are talking about the anticorruption campaign, but nobody really thinks that if he votes for a specific slate there is going to be a serious fight against corruption, or against special interest groups, or a move toward peace.

[CROMOS] But people assume that a new movement like yours—which also played a national role in the Constitutional Convention—should be able to bring those people together. What is going on? Why are you so pessimistic on this issue?

[Navarro Wolff] We are going to play an important role in any event. There is major dissent in Colombia and we are still going to be a reference point for that dissent, we are going to play a role. But I believe that role should be greater than what we can do by ourselves. Of course, we are going to be an important reference point, but I think it is worthwhile to try to do more than just be a reference point. For example, a chance of victory, that has meaning, that has

content. What Colombia lacks are goals. The voters are being offered programs of 30, 50, 100 points, but what are the goals, what are the priorities? Politicians sweet-talk the voters and afterwards when they get into office they do whatever they want, not what they were elected to do. That is the real problem. Goals are lacking.

There is more or less similarity on some goals: the anticorruption fight must be the number one goal, but that does not mean just convening a commission, and later no one knows what its purpose was or what it did. The fight against corruption must be a goal, a commitment made to the people.

Changing the Political System

[Navarro Wolff] I agree that the state is not good, but the solution is not simply to reduce excessive bureaucracy. That is only part of the solution. For if pandering to special interests follows, in four years we will have more new jobs than those that are eliminated now. That must change and it can change. I believe that among all the things the Constitutional Convention did—both good and bad—it demonstrated that it is possible to have a different relationship between the executive and a legislative body. It seems to me that that should be the starting point for a transformation of the political system. We tried to transform the political system with congressional elections after the Constitutional Convention, and I must say that we could not do that.

The Long March Toward Peace

[Navarro Wolff] We who favor change did not get a majority in Congress. That does not mean that changing the political system is not an urgent need in this country. It is a vital necessity and we have to try again in 1994, on three levels—national, departmental, and municipal—and I believe that must be another clear goal. Everybody says they want peace, but everybody is working the issue of peace based on the polls; if the people are feeling bellicose, then we will have war; if the people are tired of posturing, then we will make peace. It seems to me that is not how history is made, that is how you live with day-to-day pressures, while history is made with mid- and long-term goals. You have to seek peace, which does not mean that authority may not be exercised. It is the state's obligation to exercise authority, period. But peace is also the state's obligation, and now it is not doing much for peace, it is not doing anything, just waiting until the other side weakens, and we have been doing that for years and years.

I remember General Landazabal telling us they were going to defeat us, and we did take some losses in 1980 and 1981, but then we recovered; and the ELN [Army of National Liberation], which is now one of the biggest threats, was destroyed after the operation in Anorí. It was just a handful of guerrillas, and 20 years later it is again a very important force.

[CROMOS] What about social reform?

[Navarro Wolff] Social justice is something else. Only the state can produce social equilibrium. That is true all over the world, and we need to give it a priority that it has never had. Our spending on education, combining both public and private spending, amounts to about 3.2 percent of the GDP [Gross Domestic Product]. But in any country with a per capita income of \$1,400 or \$1,500—as Colombia has—to have the education we need, spending on education should be at least 7 percent.

With Colombia's situation, the state must provide the rest, in any form, either through direct education or through scholarships or subsidies. But the state has to do it, there is no other way. And the same thing is true in other fields. Antipoverty programs worked more or less well initially, but under this government they have completely deteriorated. Low-cost housing, for example, is in a critical situation, the proportional coverage has declined. And we can say the same thing about housing in general. Now, if we are talking about peace, priority must be assigned there too: progress in rural areas, because in Colombia most of the roots of violence are found in rural areas. That is where the state's failure has become tragic. We have demobilized, the EPL [Popular Liberation Army] has demobilized, the PRT [Revolutionary Workers Party] and Quintin Lame have demobilized. That is 3,500 guerrillas who have disarmed and gone away, while the state is still as absent as it has always been. One thousand men of the self-defense forces of the Middle Magdalena area have demobilized, they turned in 1,000 rifles, and it was not possible for the state to make an investment of 5 or 6 billion pesos. That cannot be. That 130-billion peso program they are doing for Uraba now should have been done two years ago when the EPL demobilized and the Uraba situation would not have deteriorated as much as it has now. Many people think that peace through social reinsertion is simply demobilizing the guerrillas. But they are wrong. As long as the same conditions exist, let us say, the same objective conditions, as they were called in the era of Belisario, and nothing is done about them, then I sincerely believe that nothing will change.

Weakness of the Social Area

[Navarro Wolff] If you take a look at the sector budgets, you see a weakness in the social services ministries. They are all very weak: the Ministries of Health, of Education, and Development. There are a huge number of institutes, of boards, which are supposed to execute many of the reforms, but the truth is that there is a great deal of disorder in the social area. Just as there is an economic team in the government, there should be a social team in the government, it needs to have one. Think about what happened with the housing subsidies, 500,000 housing subsidies and now they say they are down 10 percent, and there is no way to deliver them because there is too much chaos; because there is too much red tape, because there is no organizational process for a civil society, and without an organized civil society there are no mechanisms to deliver services to people who need them.

Direct services provided by the state are disappearing, they are going to subsidize demand, and now demand is disorganized. I think we need a social team, a reorganization of the state's entire social apparatus. There needs to be a state and there needs to be credibility, both are needed if we are to act coherently. I believe social policy is a priority that the nation cannot postpone; it is one of the national goals that we cannot continue to put off, for in the end the root of the instability, which lies below the violence, the insecurity, the guerrilla warfare, lies in social imbalances.

Development Is Possible

[CROMOS] Is that not in contradiction with the government's policy of privatization and internationalization of the economy? Can both be done at the same time?

[Navarro Wolff] I am sure they can, as other countries have done; Taiwan and Korea did that. That is one of the things you find when you start to look in greater depth, below the surface, that countries that have had a successful sustained growth in their GDP, all of them—at a given moment, during the initial phases of development—had social equilibrium processes. For a variety of reasons—take the case of Korea and Taiwan, for example. When they were facing North Korea and China, to avoid the penetration of communism they promoted social equilibrium processes concurrently with other things that had to be done for the development process. If they are not done, you have the Latin American Syndrome; that is, very unbalanced societies in which one part of society grows and the other does not.

The best example on the continent is Brazil, which has a monthly minimum wage of \$50 and twice Colombia's per capita income. Macroeconomists consider that a small difference, but I am convinced that it is a substantial difference from Taiwan, Korea, Singapore, and the countries that have moved from per capita income levels of \$1,000 to \$10,000 in 20 or 30 years.

And if that does not happen, one part of society develops, grows, and gets wealthy, and another part remains marginalized, shut out. It remains stuck there, without any chance of becoming a part of the broader society because it does not have the minimum conditions necessary, because it does not have minimum work skills, because it was not given that opportunity. I believe that if there is to be sustained growth, we must simultaneously have a social equilibrium process, so that we will not get something like the Latin American booms, which last for just a few short years and then collapse.

[CROMOS] We lack social discipline and education. This is a vicious circle. How can you have development without education or how can you have education without development?

[Navarro Wolff] I have been looking into education in Colombia and I find that there is a very great lag. There was a relatively significant increase in educational coverage, and it was working well up to the middle of the 1980's, until 1985 or 1986. Since then there has been a decline in quality most of all, and we are now in a descending curve. I think we lack a coherent educational strategy. Not only is this a problem of investment in education, but also a problem of educational strategy.

The municipalization of education may be significant if it is handled well, but if no urgent corrections are made, it may produce a greater decline in education in poor cities; there has been a great increase in political interference in education, very great; some mayors are even getting involved in school curricula.

Moreover, we hire teachers unconditionally. It makes no sense to hire a teacher without a national exam for potential teachers, with only those who pass this test eligible to be hired by city governments. There needs to be a single national exam for teachers. There is evidence from some studies on the quality of education based on ICFES [Colombian Institute for Promotion of Higher Education] data that clearly shows how from 1986 on there has been a decline in all levels. The average scores in all areas, in all cities, show a decline in the quality of education.

[CROMOS] In diagnosing the crisis we are very much in agreement, and all the candidates are very much in agreement, but how do we solve this problem? How are going to break through the knot that separates us from development, from education? What, specifically, can be proposed for the next five years, since we are now in a presidential campaign?

[Navarro Wolff] We have to work in several areas, of course. First, reforming the political system, mounting an effective struggle against corruption, eliminating corruption, or at least imposing very strict controls, and we need to change to a more transparent system of political relations. This is essential, and it has to start from the presidency, it cannot begin anywhere else. We already see that there is no way it can begin anywhere else, even though the efforts the Prosecutor's Office is making are significant. For example, we are looking into the Guavio case. There is more than enough evidence to convict 50 people, people who have been clearly identified, and we are afraid that is going to fail because of the way the investigation is being handled. I say we have to give priority to the fight against corruption from the presidency, and that is a number one priority.

The second point: peace. I believe the exercise of authority must be accompanied by a policy of peace, of full "detente." I believe we need mediation—we have been repeating this for over a year—because the positions of the opponents are so far apart that without mediation to establish bridges and accept positions, it is impossible to get anywhere. I think we need to do both things simultaneously.

Macroeconomics and Neglecting Manufacturing

[Navarro Wolff] The third point: there must be a consistent social policy, one that is not just the sum of disparate strategies, and this social policy must have as its top priority getting people out of absolute poverty. Another priority must be an educational strategy to universalize basic education, as required by the Constitution, up to the ninth grade of secondary school, to

universalize that level. All the conditions, all the elements must be provided. We also have to promote a coherent social policy that takes into account the needs of the elderly and organizes our health care proposals. We also need, of course, to work to alter the present government's economic system.

There must be an economy essentially based on production and employment. It seems to me that the present economic policy starts from macroeconomic management as the essential element. If the macroeconomy is working well, says the dominant theory, everything works well. Then we look at the numbers in recent years and we find that is not true; the macroeconomy is working relatively well, but production is not, agricultural production is poor, in part because of external factors, but to a very large extent this is due to internal policies, or to be more accurate, to the lack of domestic policies. Manufacturing is essential for development, and it is also experiencing a complicated time. Here we need sector policies—this is sacrilege to the government's economic team—but there has to be industrial policy. I also believe there should be an agricultural policy, as these two are our productive sectors, and we need growth in production and a jobs policy. That may be contrary to the neoliberal system, but I believe it is the only rational way.

Agreement Between Capital and Labor

[Navarro Wolff] In terms of expanding production, manufacturing is essential, and here I think there must be an agreement with the producers and with the owners of capital. In Colombia, there must be a long-term production goal. We have to sit down with the owners of capital, the state, and the workers, and tell them, okay, we are going to work out an agreement for growth. I believe we have to do this. And it seems to me that this is entirely possible, among other things because the workers are more and more coming to realize that this endless war between capital and labor makes no sense, that the only sensible course is cooperation, though of course each party will keep its own views and defend its own interests, but with cooperation. Only through this cooperation can capital and labor truly deal with the problem of growth. That must be the result of a pact, of a coherent industrial, agricultural, and jobs policy. Another thing we need in Colombia (there is more awareness now, but it has not yet been done) is a simple but clear environmental protection policy.

[CROMOS] We have covered all the issues with the exception of the drug traffic. Is there any solution?

[Navarro Wolff] The drug traffic is endemic, for it is one of those global problems that are impossible to solve in a single phase. All the efforts that have been made here, in part by ourselves and in part through outside pressures, have demonstrated that it is impossible to solve this in Colombia with a general approach. As with everything else, we have to come up with specific solutions. There are global solutions for nothing; there are only specific

solutions. There must be a solution for each phase of the problem. In the drug users' world, decriminalization would be a big help. I have often wondered: who is the Pablo Escobar of the United States? There must be a Pablo Escobar in the United States.

In addition, in the flow of money of \$100 billion a year from the cocaine business, to use one figure as an example, at least \$90 billion stays in the United States. Who owns that \$90 billion? The First World has to make an effort—either decriminalize or conduct a much more meaningful campaign. I think the policy of drug trials in Colombia is a well designed policy; it seems to me that the La Catedral prison case was handled clumsily, it was handled with a great lack of responsibility, but as with so many things in this country, we all pay the costs but nobody is held accountable. I think that in any event this policy must continue to be supported. We cannot say that it failed. On the contrary, fighting the guerrillas and drugs at the same time is impossible. I see no possibility of success in the crop substitution program if no peace pact is signed that will develop rural areas and in the development process, replace illicit crops. You cannot tell the peasant who lives in the forest to just stay there and die; you have to offer a productive alternative, give him some basic conditions. And in the conditions of war in which Colombia is living, it is very hard for that to work. Also, the Army should not get involved in this. The antidrug effort should be handled by the police, not the Army. The Army is at war and in a civil war, as everyone knows, the heart of the population is the essential element to win. Part of the solution for the problem of growing opium poppies or coca leaves is associated with peace, too, and with a meaningful development effort that includes a strategy of new crops.

[CROMOS] We see that you are very knowledgeable about national problems and have some original solutions to offer. Is that not somewhat frustrating? After spending so many years underground, and now with at least your group, your movement at peace, you see that the solutions for national problems are not just around the corner. What is your personal position on this dilemma?

[Navarro Wolff] I believe in history, in history made by the will of human beings. I am not a pessimist. History is being and will be made, and this is the time for us to make history. I am an optimist in the midst of all of the difficult conditions facing Colombia. I am an optimist for two reasons. First, if I were a pessimist I would be an academic. I would stay at the university, though not all academics are pessimists. And secondly, this country has tremendous energy and impressive vitality.

But this energy is not being directed toward clear objectives, largely because of the history of the political parties. Colombia's political parties are obsolete, but they are essential factors for governing. Between civil society and the state there must be a political mediator. That mediator may be eliminated on a local level (it is not needed because you personally know the people in

the villages; even in the cities, you know who a person is, and his background; there is a possibility of having a civil society directly without a political mediator really influencing power, with all the difficulties that entails). But when you move to regional or national politics, that mediator is essential. However, our political mediators are so badly damaged that the leadership of the nation is in danger. Still, it seems to me that the Constitutional Convention should have played a part in that role, but unfortunately it may remain at just that, as producing only a written Constitution. The fate of the Constitution of 1991 will be determined in 1994, for if in 1994 what happened in 1991 happens again, special interests will win again, not only in the congressional elections but also in the presidential, regional, and local elections. The Constitution will remain undeveloped, just a piece of paper. But if in 1994 there is a decision to continue that process of bringing together diverse people to construct—beyond the parties, beyond slogans, and on the basis of goals—then I think that the political map may change, not only the institutional map of this country. In any event, it is going to change some time. The question is whether that change takes place through an induced process or whether what has happened in other countries of Latin America and may happen to us will happen here. We are not immune from a situation similar to that of Venezuela or Peru, and even Mexico's situation is not as good as it seems. Election results are not respected. In Venezuela, the election results are meaningless. In Colombia, if politics continues to deteriorate, we may arrive at a serious political crisis. Colombia's leaders and politicians have to ask themselves whether they want to run that risk of a traumatic transition, which may be the result of an increase in the deterioration of politics. Here, fewer people vote in every election. And whenever fewer people vote each time, you are headed straight toward a political crisis.

[CROMOS] Is that also the case of Democratic Alliance/M-19 [19 April Movement]?

[Navarro Wolff] The people are so skeptical about politics that anyone who is political or connected with politics or acts in a political manner ends up by being tarred with the same brush, and that just continues to deteriorate until there is finally a space, a vacuum left that lingers indefinitely and then finally disappears. That may be very traumatic for this country. I do believe the leaders must realize that they need different solutions—not simply staying in office doing the same old things, which is what is happening now, to the detriment of any meaningful change.

* Pharmaceutical Sales, Developments Discussed

93CA0133A Santa Fe de Bogota EL ESPECTADOR in Spanish 9 May 93 p C1

[Article by Winston Manrique Sabogal]

[Text] He did not think twice, and after quickly sneaking up beside the tourist and cutting him off, the boy grinned

as he held out a blue and white cardboard packet that said PPG (Ateromixol or cholesterol-reducing drug) in dark letters. He did not let a second go by before he launched into his panting spiel: "Look, friend, this is PPG, the same thing that Commander Fidel uses.... And if you do not have a cholesterol problem, your money will not be wasted, because I am sure you have a relative or friend who does. Do not hesitate; do me a favor, and you will be pleased as punch."

Nothing more to be said—a timid nod from the buyer and laughing consent by each party, and the deal was done.

This is another thing that Cuba now demonstrates and exports: health. The years of forced amnesia, when they had to start from scratch after the brain drain following the revolution, are a thing of the past now.

But now the level of scientific knowledge is at or above the pre-1959 level, and the average age of the science professional is 32 years. This makes for a new and promising future in the field of health care, which has not received much funding in recent years.

However, Cuba is now making a profit on its exports of pharmaceuticals and medical instruments, says Cuba's consul in Colombia, Omar Morales. The effort was launched eight years ago and went into full swing in the 1990's, and is being promoted as an important sector in the island's economy. Indeed, last year Cuba exported approximately 14 billion pesos' worth of equipment and medicines to countries such as Brazil, China, Colombia, Mexico, Russia, Venezuela, Argentina, India, and Chile.

Among its high-technology products and research, in addition to the well-known PPG, are the only vaccine in the world against the meningitis that is caused by meningococcus B, one of the most widely recognized vaccines against hepatitis B, interferons, a wide range of generic drugs, sophisticated equipment for diagnostic testing, other tests for illnesses such as cholera, hemophylus, AIDS, diphtheria, and tetanus, and in general, research on biological control and tropical diseases.

These and many other results have been produced by nearly 100 centers and institutes involved in research, says scientist Celso Rodriguez of the National Center for Scientific Research (CNIC)-Dalmer Laboratories, which developed PPG, one of the most effective drugs against cholesterol.

It was at this same center where the island's scientific revolution was conceived in 1965. This institute emerged several months after Fidel Castro stated that "the future of Cuba would lie with men of science." The fact is that today this country is silently leading a great movement in Latin America and throughout the world not only to develop medications that directly serve the local population, but also some that benefit other countries suffering from diseases that have almost been eradicated in Cuba.

This was how the CNIC began generating other scientific institutes and centers, as the research projects became larger and more important, so that each one could meet its own objectives.

For the Cubans, "health and human life are a constant concern in the Cuban way of life, which has made possible increasingly significant advances in medicine."

Favorable Changes Instead of Adverse Reactions

Hence, one of its foremost projects has been the search for a drug that could bring down high levels of cholesterol, as this has become the leading cause of death in cardiovascular cases on the island. But there was another challenge: The medication had to be made with natural products, that is, resources from this country. Finally, they found in sugarcane a mixture of alcohols with the right molecular combination to reduce levels of low-density lipoproteins (LDL), the "bad" cholesterol, and of overall cholesterol.

The result: a new dual-acting drug that increases the destruction of lipoproteins and inhibits the synthesis of cholesterol. It also cleans out the blood vessels by reducing the desquamation of the cells that line them, and increases the internal protection of the vessels.

This medication has been given to more than 1 million Cubans over the last three years, says Celso Rodriguez.

It did not take long for this drug to cross the border, in view of the fact that cardiovascular diseases are the first or second cause of death in 70 percent of the countries in the world. In Colombia, for example, it is estimated that 30 percent of the population has excessively high cholesterol, according to a study by the National Institute of Health (INS). On the average, 20 percent of the adult population in the world has high cholesterol.

That is why it has not had a difficult time getting into other countries, such as Panama, Bolivia, Nicaragua, the Dominican Republic, and Jamaica. It is currently under study for regulatory purposes in Colombia, Chile, Argentina, Mexico, and other countries. In our country, it is expected to be authorized by the latter half of this year. Because it is a new active substance, it takes longer to be registered with health authorities and must be evaluated carefully, says Dr. Montserrat Noguera.

This product has been well received on the international market because, unlike similar products, PPG does not cause adverse reactions. In fact, it causes favorable changes in the patient's physical and psychological life, and, therefore, in his or her sex life as well.

Nevertheless, not everyone who suffers from high cholesterol should take this medication. It is recommended after changes in diet have proven unsuccessful, and once the patient begins taking the medication, he must continue to follow the diet, says Celso Rodriguez.

The medication is limited to those over the age of 15, as pediatric studies have not yet been completed.

Keystone to Development

This may be the most popular medication in Cuba, but there are others, such as the recombinant DNA vaccination against hepatitis B, produced by the Center for Genetic Engineering and Biotechnology. This center is regarded today as the "keystone to Cuban scientific development," says Consul Morales, because it is one of the most prominent institutions in Latin America in the field of recombinant DNA.

Hepatitis B has become the number-two carcinogenic in humans, after cigarettes, and is the direct cause of 80 percent of the cases of primary hepatocarcinoma, or liver cancer. Right now there are 350 million asymptomatic carriers in the world.

In Colombia, this virus has a medium to high incidence in the population, with medium being two to seven percent of the population and high being above seven percent. There are about 1.5 million carriers in this country, nearly five percent of the population.

The vaccine thus makes this illness the only form of cancer that is preventable and controllable by means of a biological product, says Dr. Carlos Espinal Tejada. And in addition to preventing hepatitis B, it also prevents hepatitis D.

For this reason, the World Health Organization recommends universal vaccination. Colombia began to benefit from this product because of a debt Cuba owed us. Fifty percent of the value of the vaccinations and specialized equipment goes toward paying off that debt. The technology known on the market as Suma is used to diagnose hepatitis B and C and illnesses such as AIDS, leprosy, and Chagas' disease.

World Exclusive

"One more illustration of the fact that Cuba regards technology as one of the mainstays of development," says Fredy Lehner Toro, president of Bioleher, is the creation of the only effective vaccine in the world against meningococcus B (Vamengoc-BC). This illness advances very rapidly and can kill a child in a matter of hours. The worldwide mortality rate for children infected with meningococcus B, which is very common in Latin America and Colombia, is between 15 and 18 percent.

In spite of that, the illness is almost unknown in our country. There is only passive reporting, that is, reporting of registered patients, with the exception of Antioquia, where officials have been working with Cuba for several years to seek out cases. In Itagui, the vaccine was tested in the infant population, with 60,000 dosages being donated by the Cuban Government.

On the island, studies of this vaccine began in the 1970's, when meningococcus was one of the most common causes of infant mortality and threatened to become a public health problem. A group of scientists from the Finlay Institute were assigned to solve the problem, and seven years ago they developed Vamengoc BC.

Thus, for example, in the last two years 32 million dosages of Vamengoc BC have been sent to Brazil.

And although the international medical community recognizes the effectiveness of the vaccine, not all children in the world have access to it, for unrelated reasons: politics. In the United States, a group of specialists asked first lady Hillary Clinton to explain why political problems turn into health deprivation.

To support these and other research projects, Cuba has the National Center for the Production of Laboratory Animals (Cenpalab), where the animals intended for experimentation are free of pathogens and are kept in sterile quarters in order to provide greater guarantees for the research that is carried out.

Scientific institutions also have sophisticated rooms, white or sterile areas valued at up to 175 million pesos apiece, according to Celso Rodriguez.

All of these centers boast the most modern technology in the world and personnel trained at the most prominent international scientific institutions. So it is the same science as that of industrialized countries, but with a double advantage: in Spanish.

In addition, the island is beginning to promote a new line that is gaining momentum throughout the world: health tourism. The International Center for Pigmentary Retinosis is one example of an institution following this line; there are also places that treat stress.

Because today Cuba is selling health, it hopes that after the dialogue, there will be nothing more to be said. A timid nod from the buyer and laughing consent by each party, and the deal is done.

[Box, p C1]

In All Areas

Here is an indication of what six of the main scientific institutes in Cuba produce and research:

- National Center for Scientific Research: PPG or Ateromixol, equipment to carry out double biograms [anfibiogramas] in four hours.
- Finlay Institute: Vaccines for meningococcus BC, vaccine for tetanus, vaccine for diphtheria, vaccine being developed for triple bacteria, vaccine being developed for cholera, vaccine being developed for hemophylus.
- Pedro Koury Institute for Tropical Medicine: Diagnostic kit for dengue, amoeba histolytica coatotox, to detect toxoplasmosis in patients with AIDS, and human fasciola.
- Heber-Biotec Center for Genetic Engineering and Biotechnology: Recombinant DNA vaccine against hepatitis B, interferons, recombinant streptokinase, diagnostic tests for AIDS, genetic engineering products.
- Davih Tecnotex Laboratories: Confirmation test for

AIDS, confirmation test for HTLV-I virus paraparesia, human brucellosis.

- Tecnosuma Immunoassay Center: Diagnostic kits for HIV1 & 2, Chagas' disease, dengue, leprosy, toxoplasma, rubeola, congenital diseases, hepatitis B and C.

Paraguay

Wasmosy Promises Carter To Eradicate Drug Trade

PY1106162593 Asuncion ABC COLOR in Spanish
11 Jun 93 p 12

[Text] Paraguayan President-elect Juan Carlos Wasmosy yesterday answered a congratulatory note on his election he received from former U.S. President Jimmy Carter. In his reply, Wasmosy pledges to eradicate corruption and the drug trade and asks for help to create basic economic conditions to ensure a better standard of living for the Paraguayan people.

Wasmosy first thanks Carter for his congratulations and voices his agreement with Carter's opinion about the significance of the 9 May election. Wasmosy says: "I feel greatly honored by the words of praise you used in your note, and I agree with you in emphasizing the significance of the 9 May elections, at which time we were able to count on your invaluable presence as an observer of the election that undoubtedly will be a landmark event in our history."

The note adds: "Issues such as the fight to eradicate corruption and the drug trade and related crimes are an essential part of my government plan, and we will not spare efforts to implement tough, effective measures designed to create basic economic conditions to ensure a better standard of living for the Paraguayan people. To this end, my government would very much appreciate being able to count on the cooperation of your government."

It should be noted that Carter's congratulatory note was delivered to Wasmosy by U.S. Ambassador Jon Glassman during a recent visit he made to the president-elect, and that Carter participated as an observer in the 9 May election in our country.

Carter kept a busy schedule during his visit to Paraguay. At that time, he conferred with not only Wasmosy, then presidential candidate for the Colorado Party; but also with Domingo Laino, presidential candidate for the Authentic Radical Liberal Party; and Guillermo Caballero Vargas, of the National Encounter Alliance. The note adds: "Close cooperation by the honorable senators and deputies elected on 9 May will contribute markedly to fulfilling our goals on the new path Paraguay is treading on to consolidate democracy, and to achieve progress and integrated development."

The note to Carter was one of the most significant replies issued yesterday by Wasmosy's aides, who are busy daily

answering messages of congratulations and good wishes sent to Wasmosy on his future role as president of the Republic.

In thanking Carter for his remarks about his new presidential duties, Wasmosy conveys his respect and esteem for the former U.S. president. In his letter, Wasmosy emphasizes that he will not spare any effort in his fight against corruption and the drug trade in our country.

Minister Condemns 'Massive' Occupation of Private Lands

PY1406151093 Asuncion ABC COLOR in Spanish
12 Jun 93 p 17

[Excerpt] Interior Minister Hugo Estigarribia Elizache said at government palace yesterday that there is "a well-executed plan for the massive occupation" of land in the country. Asked about the contraband traffic in cattle going to Argentina from the Paraguayan Chaco region, Estigarribia said that his ministry will take appropriate measures and will ask the Army to cooperate in implementing these. At this time 103 head of cattle, which were stolen from Presidente Hayes Department, are being held at Formosa Province, in Argentina, and the owner cannot recover them.

Minister Estigarribia denounced the implementation of a plan for the massive occupation of private lands, adding that the plan is being carried out by landless peasants. The minister mentioned the incidents at the "San Bernardo" ranch, in San Pedro Department, as an example. Here the Special Operations Police (PEO) is trying to enforce a court eviction order.

Estigarribia said that the peasants who are occupying San Bernardo land refuse to leave, adding that the situation will probably deteriorate because the peasants refuse to abide by the court order. "If these situations spread, no one will be able to live in peace in the country. We have to continue trying," the minister added. [passage omitted]

Peru

Congress Approves Reelection for Next Presidential Term

PA1406221293 Lima Panamericana Television Network
in Spanish 0200 GMT 14 Jun 93

[Excerpts] On 8 June the Congress approved including in the Constitution, which is currently under preparation, a clause permitting the reelection of the president for the next term.

In Peru, which has had presidential governments throughout its history, the position of the nation's highest authority has always caused controversy, even more so when reelection is involved. [passage omitted].

On 8 June the Congressional Constitution Committee approved the possibility of the president's immediate reelection by seven votes to one.

[Begin Deputy Carlos Torres y Torres Lara recording]
Reelection for one additional term has been approved.
[end recording]

Although the Constitutions that Peru has had throughout its republican history always included the possibility of the president's reelection, the introduction of reelecting the president for the very next term is a substantial change.

What did previous Constitutions stipulate? According to the first Peruvian Constitution, enacted in 1823, the president could be reelected after four years. The position of president for life was approved in 1826, but abolished in 1828. In 1828 reelection for the next term and then after a four-year interval was considered. Reelection after four years was confirmed in 1834. The term was extended to six years in 1839. Reelection was considered again in 1856, but the interval was reduced to four years. The provision was ratified in 1860. Something similar happened in the Constitutions of 1877 and 1920, although with a five-year interval. The 1933 Constitution again forbade reelection for the next term. The same happened in the 1979 Constitution, which has been amended.

Ecuador, Costa Rica, Guatemala, Mexico, El Salvador, and Colombia forbid reelection. Argentina, Bolivia, Brazil, Chile, Peru, Uruguay, and Venezuela permit reelection.

If the Congressional decision is ratified by the plenum, Peru would be the first Latin American country in which the president can be reelected for the next term. This is the system used in the United States, where the extant president can run for a second four-year period. Something similar is permitted in France, where the presidential term is longer, seven years. Hence, Mitterrand will complete a successive 14-year term. Is this decision right?

Those who oppose reelection for the next term say that in the United States and France there exists the guarantee of a strong democratic context with an institutional control that makes a balance between the state branches possible, a situation that allegedly is not present in Peru. Those who oppose this stand argue that Peru requires continuity in office to reinforce the substantial reforms that have been implemented since 1990. The extant president, Alberto Fujimori, agrees with this last opinion.

President Interviewed on Reelection, Visits

PA1406174493 Lima Radio Programas del Peru
Network in Spanish 1418 GMT 12 Jun 93

["Saturday Focus" program with President Alberto Fujimori; program host Denis Vargas; EXPRESO editor

Jaime de Althus; (Richard Bower), Foreign Correspondents' Association president and PERU REPORT magazine editor; and Augusto Alvarez (Rodrich), SEMANA ECONOMICA and DEBATE publications editor]

[Excerpts] [Passage omitted] Mr. President, how are you? Welcome to our program.

[Fujimori] Good morning and thank you for your invitation. I think this is a way to contact the people directly; in fact, it is the most effective way.

[Vargas] We hope so because we reach the most remote areas of the country. There are 22 million Peruvians listening to what you say. The following colleagues make up today's panel: EXPRESO editor Jaime de Althus; (Richard Bower), Foreign Correspondents' Association president and PERU REPORT magazine editor; and Augusto Alvarez (Rodrich), editor of SEMANA ECONOMICA and DEBATE owned by the Apoyo company. Without further ado, let us begin our program.

Mr. President, you were away for 12 days. After your successes in Japan, South Korea, and the United States, we would like to know what your achievements in the Far East mean for Peru? We would like to begin with this topic so we can see our place in history. I mean, what have you found upon returning to Peru? How will the things you achieved on your tour to be implemented in Peru? What will be done to follow up the trip? It would be sad if things were left unfinished after all that work.

[Fujimori] Before addressing that topic, I think it would be worthwhile to highlight some of the characteristics of the trip. First, we went to Tokyo, Seoul, and Los Angeles and met with people who are highly informed about Peru's general situation. Second, we went before our interlocutors with better letters of presentation. It is no longer a matter of explaining projects and objectives to be met to be able to recover the investment. I think the third major characteristic of the trip was that the Presidency has established a style of direct diplomacy. The goals of the trip were twofold: One was to consolidate Peru's new image to attract loans and investments. Basically, those are the two objectives. [as heard] The country knows about the amounts we discussed and it will be distributed to all sectors very soon. We also received some interesting proposals, chiefly from Korean capital. The proposals are very important because we are seeking a group of foreign investors—in addition to the ones who have come already—to establish an industrial free zone here for export products. We really want a group established here to spark a chain of foreign investments. That is a summary of what we could say to begin.

[Vargas] In other words, you are waiting for someone to jump in the water first.

[Fujimori] [chuckles] Several investors have come already, but imagine what an industrial free trade would mean, not to extract but to assemble products to be exported later. We met with several foreign investors,

Koreans. For instance, there is a possibility that an auto plant will be established in Peru to manufacture cars for export to the Latin American countries. The goal would be 20,000 units per year. That is extremely attractive. It is almost a reality.

[Vargas] What are the chances of this going through and in what timeframe? Is there a possibility it will happen this year?

[Fujimori] Yes. These businessmen have already decided to establish their firm here in Peru.

[Vargas] Can you tell us the name of the firm?

[Fujimori] I think we could announce it later.

[Vargas] Is it a Korean firm? A South Korean firm?

[Fujimori] Yes, an automotive firm.

[Vargas] To continue with economic topics, Augusto Alvarez Rodrich will ask a question.

[Alvarez] Mr. President, during a similar interview in January I asked you about the objectives of the economic program for July 1993, and you said there were basically two objectives. The first was reaching a 2-percent monthly inflation rate, and the second was to reduce significantly interest rates. Apparently neither one of those objectives will be met next month, therefore I would like to ask you two questions.

First, what is your personal evaluation of the stabilization program? Second, what goals have you set for December?

[Fujimori] I believe there have been advances in both areas. The June inflation rate is expected to be under 3 percent. We are getting closer to the 2.5-percent goal.

Regarding interest rates, it has been one of the most worrisome problems since the beginning of my term. Each of the economy ministers has been given that task. Interest rates are decreasing significantly for both national and foreign currency. As inflation drops, interest rates will also have a tendency to drop.

I believe both rates are connected. A very high interest rate like the one we had caused the inflation rate to increase by some points. If we can control the two simultaneously, I think we can get them to decrease significantly. I do admit, however, that we still need some measures to make the interest rates drop even more.

[Alvarez] For instance?

[Fujimori] For example, there is an excessive banking cash reserve [sobre encaje] at the Central Reserve Bank [BCR], which has exorbitantly high remuneration. I think the BCR, maybe with a law from Congress, should make some adjustments.

[Alvarez] Mr. President, I will now take you from economic topics to crucial points that have been discussed throughout the week.

First, what is your position on the privatization of the State Petroleum Agency [Petroperu]?

[Fujimori] A new law is required to allow such monopolistic or oligopolistic enterprises to operate under market conditions without bringing on competition. New regulations must be established along with the new law. It must be done in each of the sectors, particularly in the petroleum, telecommunications, and electricity sectors.

The idea is to change Petroperu from an entity that collects income from oil exploitation or taxes into an entity with another name that would regulate and oversee the petroleum enterprises. Petroperu would then be another enterprise competing with the rest.

[Alvarez] Does that mean you are already thinking it would be better to sell Petroperu as a single enterprise rather than in parts or in 20 or 30 facilities as is happening in other government sectors?

[Fujimori] There must be profound reform in Petroperu. Right now Petroperu is an entity that collects money. That function must be eliminated. Petroperu is a monopoly in terms of petroleum acquisition and crude oil transportation.

All those functions must be restructured, and Petroperu must be transformed into an enterprise that explores, exploits, and maybe refines petroleum, but within the market.

[Alvarez] This question is also related to that topic. There was talk this week about the possibility—and it seems several government entities are preparing decrees along these lines—of using the foreign debt in the sale of state enterprises. You were very critical of that process during the electoral campaign. In fact, you said some pacts were being made with politicians who were going to be involved in this. What is your position on this matter? What will be the government's policy on privatization and foreign debt swaps?

[Fujimori] On one occasion we tried to work with debt notes, specifically with Banco Popular, because it was advisable in that case. We would have to look at each specific case. For example, I would not sell Electrolima or any telecommunications enterprise for debt notes. No way. I will sell it in cash, yen, or dollars. [passage omitted]

[Bower] I think reelection and capital punishment have a common denominator in that they will have an impact on Peru's image abroad and thus on the country's credibility and ability to attract investment, which constitutes a major solution to reactivating the economy. We all know the death penalty can be initiated. Other countries do it. We also know, however, that there are elite political and social forces that can influence the

introduction of a measure of this nature. We all know that your personal opinion on this topic carries a lot of weight. If you tell the people you agree or disagree with it, the people will surely follow your suggestions or opinions to some extent, although it is not up to you to decide.

Deep down in your heart, what is your opinion on capital punishment? Frankly speaking, under the current circumstances we all agree that the judicial branch has not yet been reformed. It still has huge flaws. I would say you almost had to intervene to free people who could have been killed.

[Fujimori] Before answering your question, I want to make a brief statement. I have been reading editorials by the country's major newspapers and listening to comments by politicians, and I am trying to compile the arguments against reelection. I am saying this as a concept, not that it represents my personal stance. The truth is that the only arguments I find, such as the one that follows, carry little weight. Some say: It is tradition in Peru and Latin America. It is as if imitating Latin American political systems is the most advantageous course for Peru. If we talk of tradition, we would have to say: Let us leave tradition aside. Where have the governments of parties and influential families led us in Peru? To disaster and collapse. Let us seek better ways, democratic ways practiced in other countries that are not underdeveloped. Why must we go along with the Latin American tradition considering that in most of these countries corruption, crises, and poverty are rampant? We must be very careful here. We ought not be seeking tradition. In addition, I think we must break taboos. [chuckles] This is not an EXPRESO line because I always use it. We must tear down taboos. We must introduce concepts that will modernize our country. If we are talking about experience, why not look for experience in France, Spain, the United States, and Singapore? The people in those places decide in favor or against reelection. I do not want to be judge and jury in this topic.

[Vargas] Now capital punishment.

[Fujimori] I have reiterated my stance. I do believe it must be applied and should have been applied—unfortunately we could not do it because of the constitutional clauses—to Shining Path leader Abimael Guzman and Tupac Amaru Revolutionary Movement [MRTA] leaders Victor Polay Campos and Peter Cardenas. They have killed hundreds of fellow Peruvians! It is not as some say against it that capital punishment will resolve the terrorism problem. [sentence as heard] No way. This is simply one of so many measures that must be implemented in the strategy against terrorism. Does it have a deterrent effect among terrorists? That is certainly questionable. A more drastic punishment—meaning life imprisonment—for the crime of betrayal to the fatherland has yielded positive results in the struggle against terrorism.

The emergency government established this drastic punishment. We did not have it before. Now that we have life imprisonment with the rigor with which it is applied in prisons—as it should be and while respecting all human rights—we have Shining Path and MRTA terrorists accepting the Repentance Law. This was not possible before. Why do you think we are capturing not just one terrorist or a leader but whole gangs of terrorists? Because the strategy seeks to dismantle those gangs. That is why this sort of drastic punishment of terrorists has that effect. Life imprisonment has proved to have a deterrent effect. I believe if capital punishment were established, of course, as the article proposed by the Constitution Committee says, respecting international agreements and norms, we would have to make an adjustment through a law or a constitutional article—I do not know which—that would make it possible to use some mechanism to receive some benefits granted by the Repentance Law.

[Vargas] Mr. President....

[Fujimori, interrupting] If I am holding Abimael Guzman and he—now I am speaking hypothetically—had received the death penalty at the opportune time, I would tell him about the Repentance Law. He provides me with very valuable information that allows me to dismantle annihilation cells, and I commute his death sentence to life imprisonment. That is how it is.

[Vargas] Mr. President, would making the death penalty to cover acts of terrorism through the approval of a constitutional provision mean renouncing the San Jose Human Rights Convention? If the people were to approve it in the referendum that will probably be held, will the government be willing to resign this Convention?

[Fujimori] We would have to follow a procedure. If the people decide it, the government simply has to carry it out. [passage omitted]

[Bower] I also think that leaders also have the wisdom to want reconciliation in the long term. Do you think the introduction of the death penalty may hamper this reconciliation among all Peruvians? As you rightly say, you are following the mechanisms to enforce life imprisonment, and that is basically sufficient to take the chieftains and the other elements out of circulation. Do we need another higher level that is irreversible? You cannot bring the dead back. [passage omitted]

[Fujimori] I made this comparison to a group of editorial writers in Los Angeles. I understand you are a U.S. citizen.

[Bower] Swiss.

[Fujimori] Pardon me. I will also refer to Switzerland. In Peru, 22,000 people have been killed out of a population of 22 million. That means one fellow countryman out of every 1,000 has been killed by the Shining Path or the MRTA. In the United States that would mean allowing 250,000 U.S. citizens to be killed. I am totally convinced

that neither the U.S. Government or society would have accepted that genocide. If Switzerland has a population of 10 million, 100,000 Swiss citizens would have been killed. It is one thing to look at things from afar and another to be in a place risking one's life. I agree that there must be a reconciliation. That is the objective. That is one of the steps. The final step is peace in the country; respect for the human rights of 22 million Peruvians. If someone tells me that this or that is said abroad, I ask that they put themselves in Peru's position. I think that is how the situation will be better understood. We need in a very brief period of time to annihilate—I use that word because I want to get at the root—eradicate the two terrorists groups. Look at this. It has been necessary to adopt extraordinary measures. We had to transgress some constitutional provisions to achieve peace in the end. How did we, as Peruvian society, how did two democratic governments allow 22,000 Peruvians to die? That is unacceptable and unbelievable, to me. I think that we must set aside some norms and get to the bottom of this matter. Peru is entitled to development and pacification. I am stubborn on this and I will not stop this struggle that I believe is necessary and unpostponable. [passage omitted]

[De Althaus] Mr. President, there are four arguments against the death penalty: One is that—at least in the case of terrorists who are fundamentalists or fanatics—it is not a deterrent. The second argument is that since it cannot be retroactively enforced, it would not apply to Guzman or the subversive chieftains who have been sentenced already. For that reason, since most of them are in prison, no one would know who to apply it to, or why to apply it now that there is nobody on which to apply it. Third, to invoke the death penalty, to kill, is deep down doing the same thing that they did. They quote, execute, unquote—hand out sentences and kill. If we do that, we are in some way legitimizing their actions. We are using the same weapons. We are enforcing the law of retaliation. Fourth, some say that the death penalty would turn the SL members into martyrs. They are not afraid to die, they are prepared for that. They have a culture of death. Every time one of them is executed, he will be turned into a martyr or hero. It seems the effect would be counterproductive.

Those would be the four arguments against the death penalty. What do you say to them?

[Fujimori] I would like to hear, listed this way: one, two, three, four, the arguments against the reelection to be able to have an objective discussion. I thank you because this is very objective. It does not [as heard] have a deterrent effect on terrorists. It has been proven that terrorists, some of them, fear punishment, drastic punishment, and quiver. We have seen that in cases involving chieftains! One of them was being taken away on an Antonov helicopter. He was told: Get ready, do you know how to jump? I asked him if he knew how to jump with a parachute from a helicopter. [chuckles] He was scared to death. We are talking about a high-ranking MRTA leader. He left the helicopter all wet. [laughs]

[Vargas] This is first hand news. [chuckles]

[Fujimori] It has a dissuasive character and, besides, if it is exploited properly, using all of the psychological mechanisms, we can obtain information by complementing it with the Repentance Law.

Second point: It is not retroactive. Who would it be applied to since Abimael Guzman is already imprisoned inside four concrete walls. Mr. De Althaus, you suppose that the risk of other of Abimael Guzman's chieftains appearing does not exist. Of course, that risk will not exist while we, as society and State, maintain a whole strategy for the consolidation of peace, but the fact that Abimael Guzman disappears, does not eliminate the risk of a second leader appearing, maybe a madman. Therefore, we must immediately apply drastic punishment to keep this from happening again.

Regarding the third argument: killing; they have killed 22,000, made many children orphans, and have left the country in misery. I ask myself, what would have happened when Abimael Guzman was captured in 1983 if we had had the corresponding laws and the political will to apply them, and we had executed him. He would be a skeleton now and we would not have all of these problems because the figure of the leader would have disappeared right then.

The fourth point: The creation of martyrs. It depends on how you treat the terrorist leader because I would say that this is an issue in dealing with the methodology of a psychosocial character, so he is not considered a martyr. For example, we have been able to totally destroy the myth about Abimael Guzman and Victor Polay, right? I believe the same could have been done if Guzman had been executed some time ago. [passage omitted]

[Vargas] Very well. The last question is from Augusto Alberto Rodriguez.

[Rodriguez] Mr. President, referring to the question Dennis asked—if the ministers had been ratified. I understand the correct answer is that your ministers are always in a difficult situation.

[Fujimori] Yes.

[Rodriguez] I want to go back to that issue. Referring to the men in your government, you said earlier that nothing will happen—no matter who comes or goes—because the Chinese [Fujimori's nickname] remains. This has a good side, meaning you cling to ideas rather than men. Judging from the list that Richard Bauer mentioned, we see that you definitely allow a broad spectrum of people, and the policy will remain the same because you are the one who guarantees it.

However, this does not happen in other areas, specifically in the military sector. We will talk about Gen. Nicolas Hermoza Rios' case. We do not want to talk about [Vladimiro] Montesinos, whom you have defended on many occasions. Gen. Hermoza represents problems nowadays, and he represents problems for your

government because he is a source of conflict with different groups. Nevertheless, you have stated that he is a vital man for the struggle against subversion. Why can you not replace Gen. Hermoza? This gives the impression, among certain groups, that you will not be able to change him and that control of the Armed Forces is getting out of hand. What do you think about this?

[Fujimori] There are several issues here. One deals with the ministers' difficult situation. I said that no ratification is necessary because I will not answer a scandal sheet that says that the economy minister, or any other minister, will resign. I do not heed those commentaries.

There is continuity in the Army and the Armed Forces. The same goes for the State Petroleum Agency [Petroperu]. Gen. Hermoza has barely been in the post one year and nine months or something like that, which is less time than the other officers. He is important because it is imperative that the country achieve peace.

Review the list of commanders appointed in recent years and tell me what commander general has waged the struggle against terrorism with the efficiency in which Gen. Hermoza is currently waging it; and with the efficiency our public order forces are waging it in general terms—not only at commander level, but at the officer and subaltern level—so why make changes?

Now then, it is true there is a dispute among certain officers. Do you know why? Because some—like Gen. [Rodolfo] Robles and some generals who participated in the 13 November uprising—believe that they can again seize power by using military force. That type of movement seeks precisely that military power—subordinate civilian power. The government does not accept this.

[Vargas] Therefore, you admit....

[Fujimori, interrupting] Right now Peru is one of the few Latin American countries in which military power is subordinated to the presidency of the Republic. The subordination is such there is an alliance—I have LA REPUBLICA here—between the Fujimori doctrine and the military leadership. The truth is that there is a command, the Armed Forces supreme commander, who effectively has authority and not vice versa.

[Rodriguez] President, in terms of successes or failures, do you think you are excessively generous with Gen. Hermoza and not too generous, if I may use the term—I do not want to use the word stingy because I do not think it is the correct term—with Lt. Gen. Antonio Ketin Vidal Herrera, who played an outstanding role concerning the work carried out by the National Counterterrorism Directorate [Dincote]?

[Fujimori] We will not talk about the individual officers. You asked me about the term I would use for the struggle against terrorism. I told you it was good. I believe I was at a loss for words [chuckles] because I did not want you to question my choice of words on such a vital issue.

[Vargas] Very well, Mr. President....

[Fujimori, interrupting] Excuse me, it is more than good. So, the struggle includes everyone's participation. Gen. Ketin Vidal has done an extraordinary job but, institutionally speaking, Dincote continues work with the same efficiency, yet it is now under Gen. Carlos Dominguez' command—opportunistly. Everyone agreed with his promotion, meaning Gen. Vidal, and he is doing an excellent job at the National Police Inspector General's Office. In other words, the struggle against terrorism has not been undermined at all. Security forces continue to follow their guidelines with the same efficacy and efficiency.

[Vargas] Do you mean there is no rift or division within the Peruvian Army, Mr. President?

[Fujimori] Yes. I do not accept a general coming and telling me: I want to be Army inspector. Where would that leave us? That is proof that military power crops up every so often—in a few, very few, like him—but security forces are now part of the state and part of the great national reconstruction task. They are struggling against terrorism—not with bayonets, rifles, or tanks [words indistinct].

[Vargas] Does this mean generals now request posts?

[Fujimori] Imagine an Armed Forces....

[Vargas, interrupting] Do they go to the palace or call you on the phone?

[Fujimori] But imagine this. No generals or politicians go there. Now you can visit the bar beside the chapel because it is like a museum. It is full of cobwebs. I do not use it much.

[Vargas, laughing] Very well. Does Jaime ask the final question or do we conclude here?

[De Althus] Yes, to conclude with this issue. Mr. President, it is true, and we at EXPRESO have said it, we are now seeing a process whereby the Armed Forces is becoming subordinate to civilian power. In this case civilian power is personified in you. The head of the joint command is subordinated to the president of the Republic. But at the same time we are also seeing that, and this is material for a forthcoming editorial we are currently working on....

[Fujimori, interrupting] Then, I am going prepare an adequate answer. [laughs]

[De Althus] There is clear subordination to the president of the Republic. At the same time, there is a certain degree of insubordination toward Congress, and a somewhat arrogant even threatening tone toward the media. For example, look at what took place after Gen. Hermoza's communique against LA REPUBLICA, which was issued three or four days ago. In this respect, I as EXPRESO's deputy director must protest and, of course, I support the protest issued by LA REPUBLICA. Most naturally, what we are seeing here is a very haughty, defiant, and even threatening attitude. This can even be

described as a verbal tank assault [tancazo verbal] against LA REPUBLICA. We have tanks out against Congress, authoritarian communiques against the.... [pauses] This is something we have never experienced in Peru.

This is not admissible either, right? We are going to reelect you, but we cannot reelect this type of relationship. Correct?

[Fujimori] I never said I was going to run for reelection. [laughs] But if the people decide on this issue....[laughs] I believe that on some issues there is some degree of touchiness, and some consider themselves untouchable. There must be mutual respect, as well as the full exercise of all liberties. Full exercise and total respect for freedom of the press. But every Peruvian citizen and public official has the right to demand changes and clarifications because the last word does not always come from the mouths of reporters. Why should this be the case? The media does not know everything that is to be known in Peru.

[Vargas] In any case, Mr. President, the problem lies in the way things are being said.

[Fujimori] No, but....

[Vargas, interrupting] Clarifications can be requested, but not with threats.

[Fujimori] Excuse me, there have been no threats. The last Army communique on the differences with LA REPUBLICA specifically states that freedom of the press is fully respected. I have pointed this out before. We are operating within an unrestricted democratic process. In other words, the media is free to say one thing, but at the same time any Peruvian citizen, regardless of social status, is also entitled to demand explanations from the media. Every citizen is entitled to say that freedom of the press is respected, but at the same time there must be respect for the citizen's freedom of thought and expression. Just a moment, Mr. Vargas, please do not cut me off.

[Vargas] No, no.

[Fujimori] Look, for the first time the president of the Republic is exercising his right to freedom of expression. You all know quite well that I tend to speak up on the issues. Previously it was normal not to say anything. That really bothered me. That is a democratic process. At one time there was a certain lack of balance in the use of freedom. Freedom of the press was fully respected but there was no respect for full freedom of expression and thought. Now there is full freedom of the press but at the same time we have learned that in Peru everyone, from the lowest citizen to the president of the Republic, has the right to answer back. Everyone has the right to say what is on his mind, regardless of whether or not any media representative is sensitive to what is being said. That is the problem with media headlines. I try not pay any attention to headlines if there is no need.

[De Althus] Mr. President, by having tanks in the streets threatening the law of the Republic or by saying that the media is practically allied with terrorists is another way of warning it to discontinue its criticism because it is allied with terrorists....

[Fujimori, interrupting] I do not....

[De Althus] That can be considered a threat.

[Fujimori] Please excuse me, that is incorrect. No one has....

[De Althus, interrupting] [words indistinct]

[Fujimori] Nor has that been said. Gen. Hermoza did not say that to LA REPUBLICA, neither implicitly or explicitly, on the contrary. That is what I pointed out. There has been full respect for freedom of the press. Has this not been the case?

[Vargas] Very well. Mr. President, thank you for being with us at our main studios and for giving us the opportunity to discuss so many important issues.

[Fujimori] Thank you for your patience. Good day.

[Vargas] To you, my fellow listeners, our usual gratitude, and until we meet next Saturday.

CCD Commission Member on Meeting With Hermoza

PA1106230393 Lima Panamericana Television Network in Spanish 1200 GMT 9 Jun 93

[Text] Division General Nicolas De Bari Hermoza Rios, commander of the Armed Forces Joint Command, has appeared for the second time before the Democratic Constituent Congress [CCD] commission that is investigating the La Cantuta case. During the meeting, which was held strictly in private, the high-ranking military commander reiterated that the Army did not participate in the events as a corps.

[Begin recording] [Roger Caceres, CCD commission member] The meeting lasted more than three hours and we spoke at length about the events that occurred at La Cantuta and the whole context of the ensuing problem. He reasserted the Army's position but highlighted certain concepts. He fully explained that the Army per se, meaning as a corps, as a hierarchy, did not participate in this unfortunate incident. Anyone can make their own deductions about what may have happened—if the Army did not participate, as he has stated. We said none of the CCD members thought the Army per se had participated. In fact, General Rodolfo Robles was quite explicit during the interview we held in Buenos Aires. He said he admitted that the Army as a body had not participated in the event.

[Unidentified reporter] Is the commission satisfied with this report?

[Caceres] Well, it was a frank dialogue despite limitations resulting from agreements adopted by the CCD. In other words, we were unable to discuss certain issues that are part of a legal investigation. He said the Supreme Council of Military Justice [CSJM] has ruled that no other investigation can be allowed on issues that are being internally investigated by the CSJM.

[Reporter] What is the commission's conclusion about this meeting with the general?

[Caceres] I believe it has been a positive meeting because it proves the legislative branch is essentially the branch that represents the people. When that branch summons the military corps it must heed the summons and present the necessary report—in this case, within limitations concerning the country's current situation—on issues of public interest. [end recording]

Army Denies Paper's Headlines on Hermoza's Statements

PA1406030193 Lima Global de Television Network in Spanish 0100 GMT 10 Jun 93

[Communique issued by the Army Information Office in Lima on 9 June]

[Text] The Army makes known to the public the following:

1. On 9 June, the newspaper LA REPUBLICA published in its front page the headline: Hermoza Now Admits the Massacre; La Cantuta Case Being Clarified, and the subheads: He Says the Soldiers Acted on Their Own; Murder of Nine Students and One Professor Does Not Compromise the Army as an Institution.

2. The front-page publication of these headlines is clearly tendentious because they do not correspond to the truth. It shows, with great evidence, this newspaper's reiterated objective of harming the image of the Peruvian Government and the Army, which are resolutely determined to achieve pacification in the nation.

3. For the citizens' knowledge, General Nicolas de Bari Hermoza Rios, commander general of the Army, appeared for the second time before the special commission investigating the La Cantuta case on 8 June and even though the topics that were addressed are confidential—a confidentiality which seems not to have been respected by a member of the commission—Gen. Hermoza at no time stated or acknowledged the concepts that were headlined on the front page of LA REPUBLICA. On the contrary, he totally rejected any type of participation or responsibility of the Army in the La Cantuta incidents, as can be seen when reading page four of the same newspaper, where, despite the sensationalist and tendentious headline, it states that Gen. Hermoza denied at all times that the Army had any responsibility in those incidents.

4. The Army Command is fully respectful of the country's democratic freedoms and legal order. In this sense, it has already accepted the summons from the special investigative commission twice and will continue to do so however many times it is summoned by this commission or any other commission that deems the Army Command's presence necessary. Nevertheless, the command cannot refrain from expressing its deep discontent over this excess by the aforementioned newspaper, which driven by sensationalism or by a mistaken concept of the meaning of opposition, does not stop to think about the harm that it causes to institutions that protect the people, and misinforms the citizens.

[Issued] Lima, 9 June 1993

[Signed] Army Information Office

Air Force Rebutts NEWSWEEK Article

PY1206160093 Lima LA REPUBLICA in Spanish 1 Jun 93 pp 8, 9

[Text] The FAP [Peruvian Air Force] has made a forceful statement denying the content of an article published by the American magazine NEWSWEEK in its latest [31 May] edition in which it states that on 24 April 1992, Peruvian planes attacked an American aircraft "because it suspected that the latter was spying on secret dealings between corrupt Peruvian military and drug traffickers."

The FAP points out that "to say the least, this is an absurd fantasy. Had it been true, the plane would have been destroyed in the air instead of being given green light to land."

Having presented a detailed account of the events, the FAP wonders what such information really seeks now that relations between the two countries are characterized by understanding and mutual respect.

The answer the FAP provides is the following: After about one year has elapsed since a fortuitous event engaging Peruvian and U.S. Armed Forces was duly cleared up, a very important American magazine—NEWSWEEK—takes up the case in an article that includes untrue data and a propagandistic fantasy, which is most unusual for a serious publication such as the aforementioned magazine.

It remains to be seen what was the true reason behind the publication of this information, which occurred at a time when relations between both countries are characterized by understanding and mutual respect. Likewise, at a time when national public opinion has witnessed the successes of the FAP in drug enforcement operations in the Upper Huallaga region—Peru's coca belt in the north-east of the country.

The information published by NEWSWEEK deserves clarification, both for the sake of public opinion and so that this issue may be settled once and for all, as it seeks to stain Peru's image abroad and may affect relations between Peru and the United States.

Let us recall that on the afternoon of 24 April 1992, a C-130 plane was visually detected in the Upper Huallaga region by FAP personnel. The aircraft had entered Peruvian airspace without advance warning to the Andoas and Iquitos air control stations, which are required checkpoints of our northeastern forest, which covers one-third of our national territory. Mention must be made here that "it was not detected" by the Andoas radar, which was operated at the time by American military personnel.

It is germane to point out that the USA-Peruvian agreement to fight against drug trafficking establishes the appropriate procedure for U.S. aircraft operations in Peruvian territory. It states that U.S. aircraft must request permission for any type of flight through the appropriate channels, and must specify the time it will enter and leave Peruvian national territory, as well as its route and flying altitude, among other things.

As an official report was conspicuously absent, the FAP could not know that the aircraft detected was American, or any other nationality for that matter. The aircraft had no visible identification—as was acknowledged later in a document issued by the U.S. Southern Command and released to the press.

It was at that moment that the alarm was raised to the air defense system, and that two Tucano airplanes were dispatched from the Santa Lucia Base, the headquarters of military and police garrisons—including the DEA—engaged in drug enforcement operations in our forest.

The Tucano pilots unsuccessfully tried to establish radio contact with the unidentified aircraft, even though they used several different radio frequencies as well as visual signals pursuant to international procedures for such cases.

The unidentified C-130 plane continued its north-bound flight, ignoring the signals made by the small Tucano fighter planes. Therefore, their crew notified their base of this and the FAP ordered two SUKOI airplanes to intercept the C-130 plane.

The pilots of the SUKOI planes radioed to their bases that the unidentified plane was a camouflaged C-130 with no flag or identifying marks.

The pilots of the Peruvian fighter planes started their interception operation according to the standards set by the ICAO [International Civil Aviation Organization] (visual signals, wing movements for the unidentified aircraft to follow its instructions), but to no avail. The Peruvian pilots also tried to establish radio contact with the C-130 plane, using different frequencies, including the emergency frequency, but there was no response.

In light of the repeated refusal of the unidentified plane's crew to respond and after 30 minutes of constant attempts to contact it, first by the Tucano planes and later by the SUKOI ones, the Peruvian pilots opened fire in order to intimidate the C-130 aircraft.

The C-130, however, did not respond; on the contrary, it tried to leave Bolivian airspace, after overflying the forest, the mountain range, and the coast, i.e. 350 miles, without permission.

In view of the attitude adopted by the unidentified plane's crew and having tried the Peruvian pilots' patience to the limit and used up all possible legal and official deterrents, the interceptors fired again at the left lower side of the unidentified plane.

It was only then that the latter obeyed, changed its course, and followed the interceptors to Talara Air Base, 120 km from our northern border.

Once they deplaned, the crew of the C-130 plane said that they were members of the U.S. Air Force. Once again it was verified that the aircraft did not have the American flag and that its identification could not be seen at a short distance.

The aircraft in question was also equipped with a state-of-art electronic and photographic equipment, classified "CONFIDENTIAL." Foreign military aircraft authorized to overfly our territory are absolutely prohibited from carrying this equipment.

Distortion and Falsehood of NEWSWEEK Report

As these incidents were cleared in due time, and after the appropriate explanations by top officials of the Peruvian and U.S. Air Forces, overcoming the incident in a friendly manner, a year and a month later NEWSWEEK maliciously distorts the truth, God knows why.

Among other lies, NEWSWEEK states: "The aircraft was attacked under the suspicion that it was spying on secret deals between corrupt Peruvian officers and drug traffickers"—an absurd fantasy, to say the least. If this were true, the aircraft would have been destroyed in the air and not allowed to land.

Moreover, the fact that Peru—as reported by NEWSWEEK—did not want to lose Washington's "generosity," we should ask them what "generosity" they are talking about when of the more than \$12 billion the United States spent in the anti-drug fight in 1992, only \$11 million were granted to our country for this fatally unequal fight between drug traffickers and our Armed Forces and police, which in the specific case of the FAP (which is the specific reason for NEWSWEEK's article), assumes this fight with a moral integrity and a personal sacrifice worthy of the best cause.

As we all know, 80 percent of the coca produced in Colombia, Bolivia, and Peru are consumed in the United States. Peru, with no economic resources and facing serious terrorism problems, has been fighting against this scourge of mankind and is achieving successes, such as those demonstrated by the FAP in the Upper Huallaga.

Well, resuming the analysis of NEWSWEEK's report, and considering so many lies, it is appropriate to regret

once again the accidental death of a U.S. sergeant who was sucked out of the plane through a hole which resulted from the shooting.

This fact could have been avoided if the C-130 had obeyed in due time the tolerant orders of their interceptors.

'National Public Investment System' To Be Created

PY1406184093 Lima EL PERUANO in Spanish 31 May 93 p B3

[Text] A Ministry of Economy and Finance [MEF] source stated on 30 May that this ministry is working on the National Public Investment System, which is mainly designed to guarantee that the financing of the state's infrastructure with internal and external resources will be economically and socially advantageous.

During a speech he delivered on 28 May to members of the Democratic Constituent Congress [CCD], Economy Minister Jorge Camet stated that this system will be instrumental in promoting industrial retrofitting, provided that an estimated inflow of capital totaling over \$1.45 billion will be available in the next three years.

It has been learned that MEF experts are formulating the functions of this system, with the advice of Inter-American Development Bank [IDB] and World Bank officials. It involves, among other things, the implementation of public investment projects, their timetables, the ways to finance them, and the medium- and long-term benefits to be obtained from each project.

Camet said that the work is being accelerated considering that the countries making up the "group of donors" sponsored by the IDB and the World Bank will meet in Paris on 21 June. It is expected that the group will grant a \$200 million "contribution" to finance social development projects. Camet added: "We want to make sure that foreign investments will be properly used."

As for the financing of the state's infrastructure, Camet said that the World Bank has promised to grant \$250 and \$350 million in 1993 and 1994 respectively. This fund will be mainly earmarked for energy, mining, and potable water services. The IDB has agreed to grant six loans, totalling \$868 million, that will be disbursed gradually.

The inflow of capital is expected to increase over the next few months, mostly from foreign investors. Camet reported that \$5.5 billion has already returned to Peru since 1990.

In order to protect investments, Camet also said that the MEF and the CCD Economic Commission will coordinate the mechanism by which import duties on capital goods may be paid in installment between now and 31 December. Another mechanism that will be

coordinated will permit the payment of import duties on capital goods over a period of four years at the average savings account rate.

* Torres y Torres on Legal Reform, Social Change

93SM0283A Lima EL PERUANO in Spanish 10 May 93 p B13

[Interview with Dr. Carlos Torres y Torres Lara, president of the Democratic Constituent Congress Constitutional Commission, by Paul Cavalie Cabrera; place and date not given]

[Text] [Cabrera] When the government had legislative authority, it promulgated a profusion of laws for the purpose of adapting the juridical framework to the modernization policies adopted in various sectors. In this connection, what relationship do you see between the social path and legislative reform? Do the laws determine the path?

[Torres y Torres] No, but laws can either block the path or encourage it. Changes occur as a function of other factors—private initiative or social initiative, for example. If the laws create obstacles or hinder actions, then social development slows. Therefore, the present policy is designed to liberate the nation's productive forces. This summarizes the basic concept of what we want to do.

[Cabrera] When a law is drafted, one can hope its provisions will immediately be implemented. Do you believe that laws that are not going to be implemented are no longer being promulgated? What, in the end, will guarantee their implementation?

[Torres y Torres] The problem now is not so much the promulgation of laws to get things done as it is the establishment of norms so that civil society can do things. We are not talking about a society that should establish norms for what people should do, but about legislation that sets limits on the actions of individuals. This is the great difference between a free society and a regulated society.

[Cabrera] The ideal thing, it is said, would be to reach a consensus on legislation. In other words, to have a legislative system that allows for prior debate, so that the parties directly involved can participate in the drafting of the norms.

[Torres y Torres] In general, all norms should be based on consensus—every one of the norms promulgated. The problem arises in connection with the use of the mechanisms needed to obtain the greatest possible consensus. It is also a requirement that the interlocutors serve as a channel for the majority interests of the people. Another problem could develop because of the delay this process of consultation might cause. If these factors are overcome, the result will be positive.

[Cabrera] Let me ask you about a specific case in the labor sector. Here there are clearly two parties—the workers and the employers, whom some people even describe as social antagonists. How could this minimal consensus prior to the promulgation of any labor legislation function here?

[Torres y Torres] The first thing, it seems to me, should be to determine with certainty who it is that directly represents the interests of the employers and the workers. The current organizations, for example, claim that they represent these groups. And this is true, but only partially so. Large sectors in the small business and microenterprise field have no representation of any kind in the present business associations. The same is true in the workers' sector.

[Cabrera] The leaders of the trade unions say that advantage has been taken of the existing problem of stubborn resistance in order to promulgate legislation that works against the unions. They say that they were not consulted, and that in another context, this would not have happened.

[Torres y Torres] Their opinion is very important, but it represents only one sector of the labor force, by which I mean 100 percent of the workers. The central labor unions represent five percent of all of the employees, at the most—assuming membership for everyone, which is not the case. What happens, then, to the 95 percent who are the majority? The fact is that the workers' organizations have become less influential in the negotiation process. This is simply because they failed to listen to the large majorities, and because the work they have done has been based on the traditional labor-relations mechanism.

[Cabrera] Have you participated directly in these negotiations?

[Torres y Torres] When I was minister of labor, I met with the leaders of these large labor organizations. This was the first thing I did when I took office. I tried to explain the radical changes that were happening, and that we had to change the way in which labor relations were dealt with. Their response was the same as always. They said that they were going to use all of their strength to prevent the implementation of the reforms being sought. The result was instead a gradual weakening of the strength of these organizations, to a minimal point. This does not mean, however, that we do not want to listen to them.

[Cabrera] Did they not want to adapt to the mechanisms designed to make labor relations more flexible?

[Torres y Torres] I would say that the basic problem of these organizations is that they have remained tied exclusively to the traditional labor system of the large enterprises, the large trade unions, the typical labor relations. They were unable to see that labor relations in the country were reshaped, at great speed, into atypical forms, whether it be workers' cooperatives—a sector

which is growing explosively—or labor in the microenterprises. If the labor leaders failed to realize that economic reorganization was leading toward the establishment of small businesses and microenterprises in which the concept of absolute job stability is unthinkable, it was because, then, they were pursuing the wrong path. They were defending positions applicable to the United States, Italy, France, or even Chile, where there is a large employed mass of workers, and where normal relations exist. In Peru, on the other hand, this is not the situation, since 95 percent of the workers have shifted to the informal sector.

[Cabrera] On the other hand, there is also criticism of the fact that the concept of a flexible system was borrowed from situations different from ours. It is said that in other countries—basically, those in Europe—this concept has been workable because parallel to the deregulation of the individual sphere, collective rights were strengthened, and the unions were given great negotiating power. That has not occurred here.

[Torres y Torres] Well, what has happened throughout the world, in the last decade, in particular, has been intensive economic internationalization. Also, distances have been shortened by the development of communications technology, which has facilitated international negotiations.

This picture leads us to the following objective conclusion. The development of labor relations in Peru must be similar to that in the countries in closest competition with us, such as Chile, Ecuador, Brazil, Colombia, Bolivia, Argentina, etc. If our labor conditions do not offer comparative advantages over competing countries, capital will not be obtained, and there will be no work.

[Cabrera] For example....

[Torres y Torres] We cannot, for example, establish absolute job stability in a region where it does not exist. We cannot offer three months of vacation time in a zone where only one month of vacation is the rule. I will give you an example of internal labor policy. Let us suppose that a special labor regime is established in Huacho. I ask you—would Peruvian investors go to Huacho, where there were special labor benefits?

[Cabrera] You advocate that the type of labor stability be determined on a flexible basis....

[Torres y Torres] It is my view that the type of stability should be that which exists in a given zone. And at the present time, the existing type of stability, in the majority of cases, provides for economic compensation but not for replacement.

The workers of Peru cannot be deceived by an offer of a right that in the end will frighten capital away, and will in the long run do them harm.

[Cabrera] Has public office diminished your interest in the issues connected with what are called business rights?

[Torres y Torres] No, quite the contrary. I find myself closely linked with this field, and in particular, with the social effort. I became involved with the field of enterprise rights on the basis of my interest in and relationship with the cooperatives, which are free organizations in which the profits are shared by all the workers. Cooperativism and liberalism go together. This led me to the enterprise concept, and this world of the micro-economy has brought me to the world of politics today.

* Executive Outlines 1994 Budget Process

93SM0187A Lima EL COMERCIO in Spanish 16 May 93 p. A6

[Text] While the Democratic Constituent Congress has not yet reviewed the Public Budget Law for 1993, which was drawn up and approved by the central government, the executive branch announced yesterday that on 26 August the Budget Bill for Fiscal Year 1994 will be submitted to Parliament.

By means of Vice Ministry Resolution 069-93-EF/76, signed by the head of that sector, Alfredo Jalilic Awapara, and published yesterday in the Legal Regulations offprint of the official gazette EL PERUANO, the budgetary process for 1994 has begun, with the corresponding sequence of budget planning and evaluation by the agencies of the central government, the regional governments, the decentralized public institutions, and the autonomous decentralized agencies.

Proposals Submitted

Thus, between 24 and 29 May, the General Office of the Public Budget must submit the various public sector entities' proposals for budget allocations. Then, between 24 May and 20 June, it must estimate the revenues that will come from external and internal credit as well as public investment.

According to the schedule of activities for formulating the 1994 budget, the drafting and formation of the institutional budgets should be completed by 30 June. Between 2 and 23 July, the General Office of the Public Budget will review those figures.

It is estimated that by 3 August, the experts at the Ministry of Economy and Finance and the Office of the Public Budget will begin evaluating the draft Public Budget for 1994 with a view to making a final consolidation. In that way, by the 19th of that month, the final draft can be presented to the Council of Ministers for official approval, and then it can be sent to the Democratic Constituent Congress for a review of its implications.

Attention to Priorities

In accordance with the regulations, the last three dates have not yet been determined because they will depend on the measures adopted by the Democratic Constituent Congress with regard to the budget.

For purposes of calculating current spending, Vice Ministry Resolution 069-93-EF/76.1 stipulates that with respect to salaries, pensions, and bonuses, the annualized figure for 1994 will be taken into consideration, "using as a basis for projection the continual payroll for May 1993."

In drafting the budget for fiscal year 1994, the public institutions should bear in mind the priorities established within each sector, "in terms of the problems that should be given special priority."

Venezuela

Prosecutor General Files Document on Perez Case

PA1106164093 Caracas Venezolana de Television Network in Spanish 2350 GMT 10 Jun 93

[Report by Johnny Ficarella]

[Text] One day after the case of suspended President Carlos Andres Perez began officially on Wednesday, 9 June, Prosecutor General Ramon Escovar Salom submitted a 53-page document with eight annexes. Dr. Escovar Salom explained that the document mostly contains the conclusions and investigations conducted by the Chamber of Deputies Comptroller Committee. The prosecutor said he was thus contributing to substantiate the file.

Dr. Escovar Salom confirmed his initiative of annulling Decree 1911 because it is causing grave harm to the country to recognize as Venezuelans citizens the children of undocumented foreigners.

[Begin recording] [Escovar] I regret the Colombian House of Representatives has taken this initiative of mine—which I announced almost two years ago—as an act of hostility toward Colombia, as media has reported. Absolutely not. Venezuela has the right to maintain its national interests above anything else. I do not think it is in Colombia where the fate of this decree should be decided, because this is a matter of Venezuelan sovereignty. It is in Venezuela where this decree can be discussed and nowhere else. [end recording]

Dr. Escovar stated prosecutors will participate in this case, and he will personally go to the Supreme Court of Justice when he deems it necessary.

New Decentralization Minister on Work Plans

PA1106225093 Caracas Venezolana de Television Network in Spanish 2350 GMT 9 Jun 93

[Text] On 9 June, new Decentralization Minister Allan Brewer Carias went to the Supreme Court to withdraw his name as legal counsel in pending cases at said court. The action was taken just before Brewer was sworn in as minister at the Miraflores Palace.

As he was leaving the Supreme Court, Brewer Carias anticipated his first steps in the new ministry.

[Begin Brewer recording] I will expedite the ongoing process. Already eight health agreements have been approved by the Senate and we have to implement them immediately. This answers the question on what I will do immediately. Subsequently, I will continue to prepare programs to decentralize other areas. [end recording]

Agriculture Ministers Discuss Trade Agreements

PA1406164193 Caracas *Venezolana de Television*
Network in Spanish 0000 GMT 13 Jun 93

[Text] Hiram Gaviria and Jose Antonio Ocampo, Venezuelan and Colombian ministers for agriculture and livestock, respectively, met to discuss trade between the two countries. Miguel Rodriguez Mendoza, president of the Foreign Trade Institute, and delegates of the two countries' producers also participated in the meeting, which discussed Venezuelan grain exports to Colombia and other trade aspects.

[Begin recording] [Ocampo] We agreed to create mechanisms for exports to third countries, drop Colombia's demands provided an overall compromise can be reached, create a binational commission for handling these aspects, and renegotiate the price range.

[Gaviria] We are trying to reach an agreement on the trade administration without affecting Colombia's production or Venezuela's potential exports. [end recording]

*** Alvarez Paz Clarifies Economic Policy Views**

*** Editorial Questions Position**

93SM0273A Caracas *EL DIARIO DE CARACAS* in
Spanish 30 Apr 93 p 2

[Editorial: "The Spirit of CAP"]

[Text] Many people believe that the president has not been able to get along with his party because of his failure to reach an understanding with men like Humberto Celli and Octavio Lepage. But, to tell the honest truth, the fact is that President Carlos Andres Perez (CAP) is an intuitive and astute politician with incomparable skill in the environment in which he has operated in order to win—two times—the post of chief executive.

The most recent demonstration of his admirable skill was the statement with which he embraced the winner in the COPEI [Social Christian Party] primaries. "Alvarez Paz has always demonstrated continuing support for the economic measures of my government," he said in a memorable statement. He evidenced the same skill when he greeted Eduardo Fernandez in Miraflores after the events of 4 February. He was unstinting in his expressions of praise and gratitude for the help being given him in the difficult task of saving democracy. And now, with the same spark of undeniable genius, he has said that Fernandez was defeated because his criticisms of the package appeared artificial, after he had voiced support for it.

The principal opposition candidate, a man great enough to leave to his party a mechanism for its own renewal, was not defeated by the governor of Zulia. He was defeated by President Perez, who did this with the same spirit he revealed when in order to achieve the same result, he gave his blessing to Luis Pinerua Ordaz, Carmelo Lauria, and Humberto Calderon Berti, all of whom helped to save him at difficult moments. Bravo. This is an admirable phenomenon in politics—one that history will record.

But the important thing now is for Alvarez Paz to say whether or not he supports the economic policy of the government, so that the widespread doubts that have developed can be dispelled. *EL DIARIO DE CARACAS* invites him to answer these questions:

1. Did you approve of this government's refinancing of the foreign debt, as a result of which we are spending more than a fourth of the budget on interest alone?

2. Did you approve of the debt conversion, thanks to which more than \$1 billion has been allocated to project sponsors who promised to convert debt documents into productive investments, the majority of which we have not yet seen?

3. Do you approve of the increase in the budget deficit, which is continuing to stimulate inflation, while public expenditures are not being reduced and the policy of patronage is being continued?

4. Do you approve of the delays that have characterized the policy of decentralization?

5. Do you approve of the way in which, "under the protection of the regime," those who financed the 1988 campaign engaged in financial and communications negotiations?

6. Do you approve of the lack of incentives for nontraditional exports, which could have generated income in addition to that from oil, while our frontiers were being opened up to all sorts of products from abroad?

7. Do you approve of the failure to carry out the financial reform and the protection being provided to the groups linked with the financing of the 1988 campaign?

8. Do you approve of the opening up of the economy to the agricultural and industrial sectors, in order then to strangle them with confiscatory interest rates?

The ball is in the candidate's court, if he does not want the contagion to spread to him.

*** COPEI Candidate Responds**

93SM0273B Caracas *EL DIARIO DE CARACAS* in
Spanish 6 May 93 p 22

[Letter signed by Oswaldo Alvarez Paz]

[Text] "For basic reasons of courtesy and personal interest," the COPEI [Social Christian Party] candidate

for the presidency of the Republic has responded to the questions posed in the editorial published in *EL DIARIO DE CARACAS* on 30 April. The following is the complete text of the letter from the governor of Zulia dated 4 May.

"In the editorial published in this daily newspaper on 30 April of this year, I was invited, by means of an interesting questionnaire, to dispel any doubts about my alleged support of the economic policy of President Perez, who in a clever statement, attempted, in illegitimate and abusive fashion, to link my victory on Sunday, 25 April, with his economic management.

"If there is any real fact that is plain to be seen, it is the lack of any economic policy with which one could be in agreement or disagreement. There is no policy. There are no definitions, no concrete objectives, no short- or medium-term goals in the economic and financial sector. Nor are these things to be found in other very important areas of national life. The country has no direction. It is drifting. There is no authority or government. Chaos, anarchy, and a terrifying widespread confusion may destroy the productive apparatus and cause the efforts being made by the working people in order to survive in these hard times to founder.

"The scheme set forth by the government in February of 1989 for the purpose of correcting the undeniable macroeconomic imbalances was proper at that time, but the economic process pursued to achieve the goals proposed has been contradictory, poorly conducted, and filled with too many mistakes and suspicious omissions, both by the government and the parliament. The goals were not achieved, and the country changed and is continuing to change every day. This scheme, which some people contemptuously call 'the package,' belongs to the past. I think that what is needed is a serious and calm assessment of what has happened during these past years, and the dedication to work for the future, beginning in the present. Of course, I would have done, and I will do, many things differently. But considered overall, the new political debate should begin with the current reality of the Venezuela we want.

"As a result, from a perspective of renewal and change, looking toward the future, and without being paralyzed by retrospection, I will answer the questions posed.

"1. Where the foreign debt is concerned, it would be useful if the expert analysts would make a comparative, objective, and detailed study of the debt, and above all, of its most recent refinancing. We have very little official information. From what we do know, there are evident situations that must be corrected, and should not be repeated.

"2. With regard to the reschedulings of the debt, it would be important to identify the mechanisms for the administration of these processes and the conditions that made certain authorizations necessary. In terms of the correctness and honesty of the parties involved—including, of

course, the government itself—this kind of thing must always be above any suspicion.

"3. I do not, of course, approve of the increase in the budget deficit resulting from the increase in public expenditures, patronage, and other factors. This has led to dangerous and uncontrolled inflation, which, due to its lack of conviction and courage, this government has not been able to control. Under my government, inefficient public expenditure will be reduced to the point of eliminating it as a factor leading to a deficit. There are various alternative paths for achieving this.

"4. I do not approve of the delay in the administrative, economic, financial, and political decentralization of the country. I favor a redefinition of functions and the speedy transfer of authority among the various bodies in the public sector. I believe in the municipalization of public life, in giving the state a greater potential degree of autonomy, and, in the final analysis, in the construction of a veritable federal republic.

"5. I have never agreed with, nor have I in any way endorsed the financial and communications negotiations undertaken under 'protection of the regime' for the benefit of the financiers of the 1988 presidential elections. This is because, among other things, I do not have sufficient facts available to express an opinion. It is not easy to follow these things from the provinces, since when they happen, the decisions are made in the highest circles of political power in the capital of the Republic. I guarantee that in my government, these possibilities will never arise. I will fully guarantee that those who feel that they have been affected, or who simply have well-founded reports of irregularities such as those in question, can take these cases to the jurisdictional control bodies.

"6. I am completely in favor of encouraging nontraditional exports within the accepted international trade rules, and with a view to promoting the definitive incorporation of Venezuela in the global markets. The administrative record in Zulia provides good examples of achievements along this line, despite the fact that we do not have total government authority on this point.

"7. I regard the failure to approve the financial reform as evidence of real cowardice on the part of the political sector that is in control of the Congress. In the final analysis, this issue is unclear. I am already working to ensure that the reform will be approved. This point, like many others, cannot and must not wait until the government changes.

"8. I do not, of course, approve of the way in which an effort has been made to open the economy up to the agricultural and industrial sectors, nor with the current interest rates. I share the view that they are confiscatory. In Zulia, as in the rest of Venezuela, we are suffering greatly from this situation, and it will have to be firmly and drastically corrected.

"In conclusion, Mr. Editor, I have responded speedily to your questions for basic reasons of courtesy and a personal interest in clarifying matters. But you should have no fear for me. Not only do I not want the contagion to spread to me, but this will not happen.

"Perhaps you do not know me well enough, and that is why you expressed a certain doubt in your editorial entitled 'The Spirit of CAP,' which you sought to dispel by means of the questions you asked me. On paper, there is room for everything. The important thing is for you to watch future events. Your doubt is not justified. Have confidence in me. You will not regret it."

Sincerely,

Oswaldo Alvarez Paz

Guyana

Hoyte Recovers From Surgery, Attacks Ruling Party

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[Text] Georgetown, Guyana, June 14, CANA—A senior official of Guyana's main parliamentary opposition People's National Congress (PNC) said Monday [14 June] that party leader Desmond Hoyte is recuperating from heart surgery in New York and will be at the helm of the party when he returns home next month. PNC chief executive officer, Malcolm Parris, told CANA the former president, who had triple heart by-pass surgery in a Manhattan hospital in early April, was "doing quite well and on the mend."

Hoyte, Guyana's president from 1985 to 1992, attended several functions of well-wishing Guyanese organisations in New York at the weekend, Parris said. He confirmed newspaper reports that the minority leader will be returning to Guyana next month, almost two and a half months after he left here in a coma in April.

In a message to last Saturday's PNC general council meeting here, Hoyte, 63, urged the party to reorganise and reach out to young people with new ideas, the privately-owned STABROEK NEWS newspaper reported.

"Whenever an organisation finds itself in an adverse situation, there is always the tendency for indiscipline to rear its ugly head. This leads to divisiveness and confusion," Hoyte said in what appears to be a pointed reference to former prime minister Hamilton Green.

Green, expelled from the party earlier this year for gross misconduct, has publicly attacked the party he helped launch and said last month the leadership needs to be recaptured to bring it back to the masses.

"We must continue our policy of reaching out to bring into the party fold, new members, particularly young people who will bring a new vitality and vigour and fresh ideas to reinvigorate our party and help it to advance its political objectives," Hoyte said in his message. He said the party cannot afford to be indisciplined or to tolerate indiscipline in its ranks.

Hoyte again attacked the ruling People's Progressive Party/Civic and accused it of "racism, victimisation, nepotism, and witch-hunting."

"The Civic agenda is clear. It is an agenda for economic decline, ethnic conflict, social upheaval, and national confusion. It is an agenda for the destruction of our country. We are witnessing racial politics with a vengeance," Hoyte said. While Hoyte was sending his message, Green summoned a Saturday news conference to announce he would head a list for the race for mayor of the capital Georgetown and said his expulsion from the former ruling party may have been a blessing in disguise.

"If ever I become mayor, it would not be political. Now that I have been arbitrarily kicked out of the PNC—which may have been a blessing in disguise—I wouldn't be running on any (party's) ticket," the former deputy PNC leader told reporters. He said his forum for democracy—a Civic group he founded about three months ago—is not a political party, and acknowledged a defeat in the mayoral race could be personally devastating. "If I fail as mayor, with my style, it would be a political disaster for me," the STABROEK NEWS reported Green as saying.

U.S. Troops Leave Guyana; More May Arrive in July

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[From the "Radar" column by Anselmo Gois]

[Text] The U.S. troops who were training in the Amazon jungle for the first time have already left British Guyana. The United States has already asked Guyanese President Cheddi Jagan for new authorization to bring in an additional 250 soldiers in July and 750 in November, on the eve of the Venezuelan elections. A growing number of military strategists suspect that the U.S. officers decided to switch from Panama to Guyana as an advanced post in Latin America.